

Funds Managed by:
AKD Investment Management Ltd.

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



half yearly report



Partner with AKD
Profit from the
Experience



**AKD Investment
Management Ltd.**

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MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman

Mr. Abdul Karim

Director & Chief Executive Officer

Mr. Imran Motiwala

Directors

Ms. Anum Dhedhi

Mr. Ali Wahab Siddiqui

Mr. Hasan Ahmed

Mr. Saim Mustafa Zuberi

Ms. Aysha Ahmed

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)

Mr. Hasan Ahmed (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

Ms. Aysha Ahmed (Chairman)

Mr. Abdul Karim (Member)

Mr. Imran Motiwala (Member)

Ms. Anum Dhedhi (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING

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

**CORPORATE
INFORMATION**

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

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

AKD Index Tracker Fund (AKDITF)

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

AKD Cash Fund (AKDCF)

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

AKD Aggressive Income Fund (AKDAIF)

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

AKD Islamic Income Fund (AKDISIF)

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

AKD Islamic Stock Fund (AKDISSF)

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

MACRO PERSPECTIVE

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

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

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

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

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

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

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

MONEY MARKET REVIEW

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

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

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

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

FUTURE OUTLOOK

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

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

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

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

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

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Abdul Karim
Chairman

Karachi: February 22, 2019.

AKD Index Tracker Fund

Financial Information - First Half FY19

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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
Investomate (Pvt.) 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.

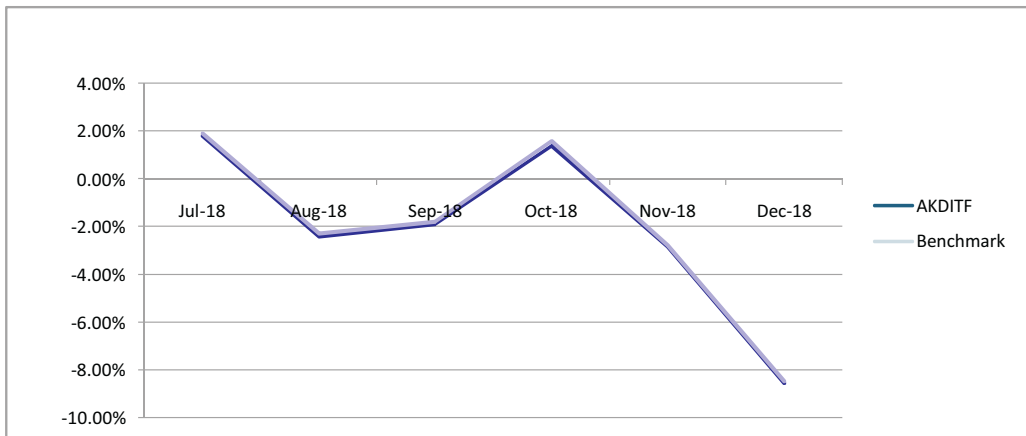
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
AKDITF	1.80%	-2.40%	-1.90%	1.39%	-2.82%	-8.54%
Benchmark	1.91%	-2.27%	-1.78%	1.59%	-2.77%	-8.47%

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)	31-Dec-18	30-Sep-18
Equities	96.66%	95.91%
Cash	2.55%	2.69%
Other Assets	0.79%	1.40%

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

1HFY19 Return	-12.17%
1HFY19 Benchmark	-11.56%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
31-Dec-18	30-Sep-18		31-Dec-18	30-Sep-18
(Rupees In "000")			Rs.	Rs.
398,221	447,580	-11.03%	12.22	13.56

- 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

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

The Current Account Deficit (CAD) for 1HFY19 stood at \$7.983 billion (5.4% of GDP) as compared to \$8.353 billion in the same period last year (SPLY), exhibiting a decline of 4.43% YoY. This improved performance was on the back of an increase in exports of goods by 0.08% YoY to \$11.840 billion from \$11.831 billion, along with an increase in remittances, which increased by 10% YoY to \$10.718 billion from \$9.744 billion. However, imports of goods increased by 5.87%, from \$12.993 billion to \$13.756 billion, which combined with swelling debt servicing, eroded the foreign exchange reserves by 31.8% YoY to \$13.57 billion.

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

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

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

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

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

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specific measures are mainly positive for export-oriented sectors in the form of reduced duties and input costs and also settlement of refunds through promissory notes, Autos (non-filers allowed to purchase locally assembled vehicles up to 1300cc engine capacity), and Cements (allocation of loans for housing scheme). On the other hand, continuation of super tax (flat 4%) on banks (sector weight age: 25.23%) would keep the index in check.

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

FUTURE OUTLOOK

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

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

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

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

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

- 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	629
10,000 - 49,999	28
50,000 - 99,999	4
100,000 - 499,999	4
500,000 and above	1
Total	666

- 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:

TRUSTEE REPORT TO THE UNIT HOLDERS

AKD INDEX TRACKER FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD 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 six months period ended December 31, 2018 in accordance with the provisions of the following:

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

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2019

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of AKD Index Tracker Fund ("the Fund") as at 31 December 2018; and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not give a true and fair view, in all material respects, in accordance with approved accounting standard as applicable in Pakistan for interim financial reporting.

Other Matters

The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2018.

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

	Note	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
Assets			
Bank balances	4	10,383	13,965
Investments	5	393,299	452,453
Dividend, markup and other receivables	6	606	825
Security deposits		2,600	2,600
Total assets		406,888	469,843
Liabilities			
Remuneration payable to the Management Company	7	264	292
Remuneration payable to the Trustee	8	70	77
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	212	451
Payable against redemption of units		109	-
Accrued expenses and other liabilities	10	4,284	4,197
Unclaimed dividend		3,728	3,728
Total liabilities		8,667	8,745
Contingencies and commitments	12	-	-
		398,221	461,098
Unit holders' fund (as per statement attached)		398,221	461,098
		(Number of units)	
Number of units in issue	13	32,595,063	31,981,730
		(Rupees)	
Net assets value per unit (face value per unit Rs. 10/-)		12.22	14.42

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2018

Note	Six months period ended 31 December		Three months period ended 31 December	
	2018	2017	2018	2017
----- (Rupees in '000) -----				
Income				
(Loss) / gain on sale of investments' - net	(2,018)	8,064	(1,390)	3,846
Dividend income	11,342	12,531	6,285	8,132
Profit on bank balances	477	347	273	265
Unrealized diminution on remeasurement of investment classified as 'at fair value through profit or loss'-net	(61,800)	-	(47,401)	-
	(51,999)	20,942	(42,233)	12,243
Expenses				
Remuneration to the Management Company	1,672	1,767	813	846
Remuneration to the Trustee	446	471	217	225
Annual fee to the Securities and Exchange Commission of Pakistan	212	224	103	107
Bank Charges	8	18	1	17
Auditors' remuneration	128	201	52	125
Other expenses	914	1,326	341	688
	3,380	4,007	1,527	2,008
Net income for the period before taxation	(55,379)	16,935	(43,760)	10,235
Taxation	15	-	-	-
Net income for the period after taxation	(55,379)	16,935	(43,760)	10,235
Allocation of net income for the period:				
Net income for the period after taxation	-	16,935	-	10,235
Income already paid on units redeemed	-	-	-	-
	-	16,935	-	10,235
Accounting income available for distribution:				
-Relating to Capital gains	-	-	-	-
-Excluding Capital gains	-	-	-	-
	-	-	-	-

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2018**

	Six months period ended 31 December		Three months period ended 31 December	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Net (loss) / income for the period	(55,379)	16,935	(43,760)	10,235
Other comprehensive income for the period				
<i>Items that will be reclassified subsequently to income statement</i>				
- Unrealized diminution during the period in the fair value of investments classified as 'available for sale' - net	-	(77,070)	-	(27,344)
- Diminution in Fair value of 'available for sale' investment transferred to profit and loss account on sale - net	-	(10,516)	-	(6,407)
Total comprehensive loss for the period	<u>(55,379)</u>	<u>(70,651)</u>	<u>(43,760)</u>	<u>(23,516)</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2018

	Six months period ended 31 December		Three months period ended 31 December	
	2018	2017	2018	2017
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss) / profit for the period	(55,379)	16,935	(43,760)	10,235
Adjustments for:				
Unrealized diminution on remeasurement of investment classified as 'at fair value through profit or loss'-net	61,800	-	47,401	-
	6,421	16,935	3,641	10,235
(increase) / Decrease in assets				
Investments	(2,646)	(10,829)	(3,248)	(6,364)
Dividend, markup and other receivables	219	4,846	3,177	1,985
	(2,427)	(5,983)	(71)	(4,379)
(Decrease) / increase in liabilities				
Remuneration payable to the Management Company	(28)	(51)	(13)	(11)
Remuneration payable to the Trustee	(7)	(14)	(3)	(3)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(239)	(267)	103	107
Payable against redemption of units	109	(273)	109	-
Accrued expenses and other liabilities	87	(3,300)	(34)	48
	(78)	(3,905)	162	141
Net cash generated from operating activities	3,916	7,047	3,732	5,997
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received on issuance of units	16,915	6,776	2,488	365
Dividend paid	(16,250)	-	-	-
Cash paid on redemption of units	(8,163)	(8,537)	(8,087)	(398)
Net cash used in financing activities	(7,498)	(1,761)	(5,599)	(33)
Net (decrease) / increase in cash and cash equivalents during the period	(3,582)	5,286	(1,867)	5,964
Cash and cash equivalents at beginning of the period	13,965	6,020	12,250	5,342
Cash and cash equivalents at end of the period	10,383	11,306	10,383	11,306

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 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 the 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. The 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. 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 categorised 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 August 10, 2018. Due to specialized nature of the Fund, performance ranking has not been taken, as the comparable benchmark is not available.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part 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 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.
- 2.3 This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund as at December 31, 2018.

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

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for changes in accounting policies as explained in note 3.3.
- 3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

3.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Company has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Fund adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to the disclosures for the half year ended December 31, 2018.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting that are not applicable on the operations of the Fund. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Fund has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognized as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognized as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognized as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognized financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;
- the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income; and
- the Fund may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as

measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortized cost or at FVTOCI are subject to impairment.

The Management has reviewed and assessed the Fund's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Fund's financial assets as regards their classification and measurement:

- As per IFRS-9, all equity investments are to measured at fair value with changes in fair value to be recognized in profit or loss account except those equity investments that are not held for trading nor contingent consideration for which an entity may elect to report changes in fair value in other comprehensive income. The fund re-classify a financial asset out of the fair value through other comprehensive income measurement category into the fair value through profit or loss measurement category. The cumulative gain of Rs. 137.376 million previously recognized in other comprehensive income is adjusted in opening retained earnings as shown in table below.

	Carrying amount as per IAS 39 as on June 30, 2018	Reclassifications	Remeasurements	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on statement of movement if unitholders' fund on July 1, 2018
----- Rupees ('000')-----					
Financial assets					
From available for sale (IAS - 39)	137,376	137,376	-	137,376	137,376
	137,376	137,376	-	137,376	137,376

None of the other reclassifications of financial assets have had any impact on the fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

(b) Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the

liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Fund's financial liabilities because the Fund does not have any financial liabilities designated as FVTPL.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9 except discussed in (a)

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

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

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

	Note	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
4 BANK BALANCES			
Saving Accounts	4.1	9,994	13,446
Current accounts		389	519
		10,383	13,965

4.1 These represent profit and loss sharing accounts maintained with various banks carrying profit rates ranging from 8.00% to 8.60% (30 June 2018: 4.50% to 6%) per annum.

	Note	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
5 INVESTMENTS			
<i>Investments in securities classified as 'at fair value through profit or loss'-net</i>			
Listed equity securities	5.1	393,299	452,453

5.1 Listed equity securities - 'at fair value through profit or loss'-net

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at December 31, 2018	Cost as of the period ended December 31, 2018	Carrying value (before revaluation as of the period ended December 31, 2018)	Market value as of the period ended December 31, 2018 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	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	1,071	788	0.20	0.20	0.00
Honda Atlas Cars(Pakistan) Limited	6,100	-	-	-	6,100	1,399	1,930	1,077	0.27	0.27	0.00
Indus Motor Company Limited	2,969	-	-	-	2,969	756	4,220	3,621	0.92	0.91	0.00
Millat Tractors Limited	5,043	-	-	100	4,943	2,660	5,873	4,113	1.05	1.03	0.01
Pak Suzuki Motor Company Limited	4,720	-	-	-	4,720	385	1,857	822	0.21	0.21	0.01
						6,266	14,951	10,421			
AUTOMOBILE PARTS & ACCESSORIES											
Agriauto Industries Limited	4,000	-	-	-	4,000	1,296	1,180	888	0.23	0.22	0.01
Thal Limited	7,171	-	-	-	7,171	924	3,424	3,067	0.78	0.77	0.01
						2,220	4,604	3,955			
CABLE & ELECTRICAL GOODS											
Pakistan Cables Limited	53,775	-	-	-	53,775	3,198	1,907	1,339	0.34	0.34	0.01
						3,198	1,907	1,339			
CEMENT											
Bestway Cement	6,200	-	-	-	6,200	1,659	812	710	0.18	0.18	0.00
Cherat Cement Company Limited (note 5.3)	23,096	-	-	500	22,596	1,569	2,197	1,574	0.40	0.40	0.01
D. G. Khan Cement Company Limited	48,687	-	-	-	48,687	2,888	5,574	3,902	0.99	0.98	0.01
Fauji Cement Company Limited (note 5.3)	167,850	8,000	-	-	175,850	2,438	4,044	3,681	0.94	0.92	0.01
Kohat Cement Company Limited (note 5.3)	9,500	3,500	2,850	2,000	13,850	1,266	1,268	1,176	0.30	0.30	0.01
Lucky Cement Limited (note 5.3)	28,933	1,000	-	-	29,933	6,975	15,213	13,011	3.31	3.27	0.01
Maple Leaf Cement Factory Limited (note 5.3)	60,512	-	-	-	60,512	3,175	3,071	2,460	0.63	0.62	0.01
Pioneer Cement Limited	26,100	-	-	-	26,100	1,765	1,223	1,094	0.28	0.27	0.01
						21,735	33,402	27,608			
CHEMICALS											
Archroma Pakistan Limited (note 5.3)	1,950	-	-	-	1,950	1,141	985	995	0.25	0.25	0.01
Colgate Palmolive(Pakistan) Limited	1,016	20	203	-	1,239	375	3,250	2,837	0.72	0.71	0.00
Engro Polymer & Chemicals Limited (note 5.3)	68,497	50,000	-	15,000	103,497	3,480	3,257	3,844	0.98	0.97	0.01
ICI Pakistan Limited	3,038	-	-	-	3,038	619	2,435	2,413	0.61	0.61	0.00
						5,615	9,927	10,089			
CLOSE - END MUTUAL FUND											
HBL Growth Fund-Class A	-	57,512	-	-	57,512	995	995	661	0.17	0.17	0.02
PICIC Growth Fund	56,012	-	-	56,012	-	-	-	-	-	-	0.00
						995	995	661			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at December 31, 2018	Cost as of the period ended December 31, 2018	Carrying value (before revaluation as of the period ended December 31, 2018)	Market value as of the period ended December 31, 2018 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000') -----			----- (Percentage) -----		
COMMERCIAL BANKS											
Allied Bank Limited	38,162	-	-	-	38,162	2,338	3,936	4,101	1.04	1.03	0.00
Askari Bank Limited	80,813	-	-	-	80,813	1,175	1,767	1,933	0.49	0.49	0.01
Bank Al Habib Limited (note 5.3)	160,332	7,500	-	-	167,832	5,353	13,231	11,545	2.94	2.90	0.02
Bank Alfalah Limited (note 5.3)	125,305	6,000	12,530	-	143,835	2,331	6,846	5,838	1.48	1.47	0.01
Faysal Bank Limited	100,680	-	-	-	100,680	870	2,618	2,423	0.62	0.61	0.01
Habib Bank Limited (note 5.3)	164,083	9,500	-	3,000	170,583	32,251	28,299	20,547	5.22	5.16	0.01
Habib Metropolitan Bank Limited (note 5.3)	104,568	5,000	-	-	109,568	2,385	4,751	5,019	1.28	1.26	0.01
MCB Bank Limited (note 5.3)	92,228	4,000	-	-	96,228	16,024	19,026	18,627	4.74	4.68	0.01
Meezan Bank Limited	34,753	13,000	4,775	-	52,528	3,395	4,023	4,853	1.23	1.22	0.00
National Bank Of Pakistan	113,238	-	-	-	113,238	4,471	5,364	4,759	1.21	1.20	0.01
Standard Chartered Bank (Pakistan) Limited	40,848	-	-	-	40,848	327	980	985	0.25	0.25	0.00
The Bank Of Punjab (note 5.3)	240,659	15,000	-	-	255,659	2,567	3,103	3,060	0.78	0.77	0.01
United Bank Limited (note 5.3)	108,929	4,000	-	-	112,929	16,848	19,073	13,850	3.52	3.48	0.01
						90,335	113,017	97,540			
ENGINEERING											
Aisha Steel Mills Limited	-	60,000	-	-	60,000	738	738	630	0.16	0.16	0.01
Amreli Steels Limited	16,000	-	-	-	16,000	1,496	1,129	766	0.19	0.19	0.01
Crescent Steel And Allied Products Limited	7,900	-	-	7,900	-	-	-	-	-	-	0.00
International Industries Limited	12,000	-	-	-	12,000	3,181	2,787	1,849	0.47	0.46	0.01
International Steels Limited (note 5.3)	39,500	-	-	-	39,500	949	4,017	2,598	0.66	0.65	0.01
						6,364	8,671	5,843			
FERTILIZER											
Dawood Hercules Corporation Ltd (note 5.3)	75,396	-	-	2,500	72,896	4,791	8,075	8,102	2.06	2.03	0.02
Engro Corporation Limited (note 5.3)	64,074	2,500	-	-	66,574	11,689	20,933	19,378	4.93	4.87	0.01
Engro Fertilizer Limited (note 5.3)	133,275	7,000	-	-	140,275	10,023	10,557	9,686	2.46	2.43	0.01
Fatima Fertilizer Company Limited	71,734	-	-	2,000	69,734	1,799	2,259	2,543	0.65	0.64	0.00
Fauji Fertilizer Bin Qasim Limited	72,451	-	-	-	72,451	2,465	2,797	2,700	0.69	0.68	0.01
Fauji Fertilizer Company Limited (note 5.3)	156,050	6,000	-	-	162,050	14,956	16,020	15,046	3.83	3.78	0.01
						45,723	60,641	57,455			
FOOD & PERSONAL CARE-PRODUCTS											
Engro Foods Limited	16,674	-	-	-	16,674	1,597	1,485	1,329	0.34	0.33	0.00
Murree Brewery Company Limited (note 5.3)	2,317	50	463	-	2,830	355	1,712	2,301	0.59	0.58	0.01
National Foods Limited	5,650	-	1,130	-	6,780	1,183	1,802	1,326	0.34	0.33	0.01
Nestle Pakistan Limited (note 5.3)	1,469	20	-	980	509	4,997	5,816	4,581	1.16	1.15	0.00
						8,132	10,815	9,537			
GLASS & CERAMICS											
Ghani Glass Limited	23,233	1,000	7,269	-	31,502	1,835	1,565	1,526	0.39	0.38	0.01
						1,835	1,565	1,526			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at December 31, 2018	Cost as of the period ended December 31, 2018	Carrying value (before revaluation as of the period ended December 31, 2018)	Market value as of the period ended December 31, 2018 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000') -----			----- (Percentage) -----		
INSURANCE											
Adamjee Insurance Company Limited (note 5.3)	62,240	-	-	6,000	56,240	1,741	2,741	2,363	0.60	0.59	0.02
EFU General Insurance Limited	15,237	-	-	-	15,237	745	2,281	1,524	0.39	0.38	0.01
IGI Holdings Limited	6,797	-	1,019	-	7,816	457	1,964	1,572	0.40	0.39	0.01
Jubilee Life Insurance Company Limited	2,447	1,100	-	-	3,547	1,732	2,391	1,767	0.45	0.44	0.00
						4,675	9,377	7,226			
INVESTMENT BANK/INV.COS/SEC COS.											
Jahangir Siddiqui & Company Limited	51,203	-	-	51,203	-	-	-	-	-	-	0.00
Pakistan Stock Exchange Limited	40,000	10,000	-	-	50,000	1,237	993	679	0.17	0.17	0.01
						1,237	993	679			
JUTE											
Crescent Jute Products Limited	500	-	-	-	500	3	-	-	-	-	0.00
						3	-	-			
LEASING COMPANIES											
Orix Leasing Pakistan Limited	14,534	-	2,906	-	17,440	774	632	458	0.12	0.12	0.01
						774	632	458			
LEATHER & TANNERIES											
Bata Pakistan Limited	377	-	-	-	377	192	716	582	0.15	0.15	0.00
						192	716	582			
MISCELLANEOUS											
Pakistan Services Limited (note 5.3)	5,650	-	-	100	5,550	1,716	5,467	5,883	1.50	1.48	0.02
Shifa International Hospital Limited	5,454	-	-	-	5,454	924	1,473	1,126	0.29	0.28	0.01
						2,640	6,940	7,009			
MODARABAS											
First Habib Modaraba	4,500	-	-	-	4,500	50	48	47	0.01	0.01	0.00
						50	48	47			
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited (note 5.3)	4,941	100	494	-	5,535	946	7,586	6,840	1.74	1.72	0.00
Oil & Gas Development Company Limited (5.2 & 5.3)	143,737	6,500	-	-	150,237	19,189	23,331	19,230	4.89	4.83	0.00
Pakistan Oilfields Limited (note 5.3)	23,979	1,300	4,955	-	30,234	9,125	16,871	12,844	3.27	3.23	0.01
Pakistan Petroleum Limited (note 5.3)	107,124	5,000	16,668	-	128,792	13,196	24,016	19,275	4.90	4.84	0.01
						42,456	71,804	58,189			
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited (note 5.3)	4,450	400	890	-	5,740	1,699	2,828	2,477	0.63	0.62	0.01
Hascal Petroleum Limited	11,240	-	2,810	-	14,050	2,675	3,527	2,085	0.53	0.52	0.01
Pakistan State Oil Company Limited (note 5.3)	32,553	1,500	6,610	-	40,663	6,485	10,807	9,167	2.33	2.30	0.01
Shell Pakistan Limited	4,751	-	-	-	4,751	469	1,502	1,457	0.37	0.37	0.00
Sui Northern Gas Pipelines Limited (note 5.3)	64,670	-	-	-	64,670	4,311	6,481	4,984	1.27	1.25	0.01
Sui Southern Gas Company Limited	66,828	-	-	-	66,828	1,305	2,193	1,544	0.39	0.39	0.01
						16,944	27,338	21,714			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at December 31, 2018	Cost as of the period ended December 31, 2018	Carrying value (before revaluation as of the period ended December 31, 2018)	Market value as of the period ended December 31, 2018 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----				----- (Rupees in '000)' -----			----- (Percentage) -----			
OPEN-END MUTUAL FUNDS											
HBL Growth Fund-Class B Segment	-	56,012		56,012	-	-	-	-	-	-	0.00
PAPER & BOARD											
Packages Limited (note 5.3)	6,789	-		700	6,089	1,367	2,982	2,355	0.60	0.59	0.01
						1,367	2,982	2,355			
PHARMACEUTICALS											
Abbot Laboratories (Pakistan) Limited	4,515	-		-	4,515	3,499	3,093	2,849	0.72	0.72	0.00
Glaxo Smithkline Pakistan Limited	11,073	-		-	11,073	603	1,838	1,248	0.32	0.31	0.00
Glaxosmithkline Consumer Healthcare Pakistan Limited	-	3,000		-	3,000	926	926	799	0.20	0.20	0.00
The Searle Company Limited (note 5.3)	16,517	3,000	2,477	-	21,994	4,238	6,439	5,402	1.37	1.36	0.01
						9,266	12,296	10,298			
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited (note 5.3)	155,741	6,000		-	161,741	9,763	14,922	13,876	3.53	3.48	0.01
K-Electric Limited (note 5.3)	619,148	-		-	619,148	3,401	3,517	3,678	0.94	0.92	0.00
KoT Addu Power Company Limited (note 5.3)	100,779	4,000		-	104,779	6,821	5,645	5,192	1.32	1.30	0.01
Nishat Chunian Power Limited	38,465	-		-	38,465	944	1,082	904	0.23	0.23	0.01
Nishat Power Limited	32,070	-		32,070	-	-	-	-	-	-	0.00
Saif Power Limited	39,500	-		-	39,500	1,157	1,046	1,014	0.26	0.25	0.01
						22,086	26,212	24,664			
REAL ESTATE INVESTMENT TRUST											
Dolmen City Reit	120,000	-		-	120,000	1,245	1,548	1,439	0.37	0.36	0.01
						1,245	1,548	1,439			
REFINERY											
Attock Refinery Limited	7,419	-	1,854	-	9,273	1,138	1,597	1,368	0.35	0.34	0.01
Byco Petroleum Limited	-	110,000		-	110,000	1,030	1,030	955	0.24	0.24	0.00
National Refinery Limited	5,493	-		-	5,493	1,317	2,433	1,570	0.40	0.39	0.01
						3,485	5,060	3,893			
SUGAR & ALLIED INDUSTRIES											
JDW Sugar Mills Limited	2,050	-		2,050	-	-	-	-	-	-	0.00
Shakarganj Limited	-	9,000		-	9,000	515	515	631	0.16	0.16	0.01
						515	515	631			
SYNTHETICS AND RAYON											
Gatron Industries	-	1,000		600	400	106	106	120	0.03	0.03	0.00
Ibrahim Fibres Limited	3,000	-		3,000	-	-	-	-	-	-	0.00
						106	106	120			
TECHNOLOGY & COMMUNICATION											
Hum Network Limited	134,600	-		-	134,600	944	1,089	592	0.15	0.15	0.01
Pakistan Telecommunication Company Limited	127,017	-		-	127,017	1,451	1,453	1,221	0.31	0.31	0.00
Systems Limited	13,000	-		-	13,000	1,246	1,316	1,428	0.36	0.36	0.01
TRG Pakistan Limited	102,855	-		-	102,855	3,190	2,946	2,294	0.58	0.58	0.02
						6,831	6,804	5,535			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at December 31, 2018	Cost as of the period ended December 31, 2018	Carrying value (before revaluation as of the period ended December 31, 2018)	Market value as of the period ended December 31, 2018 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----				----- (Rupees in '000') -----			----- (Percentage) -----			
TEXTILE COMPOSITE											
Kohinoor Textile Mills Limited	49,695	-	-	-	49,695	1,657	2,733	2,240	0.57	0.56	0.02
Nishat (Chunian) Limited	23,830	-	-	-	23,830	809	1,131	1,158	0.29	0.29	0.01
Nishat Mills Limited (note 5.3)	35,847	-	-	-	35,847	2,065	5,052	4,536	1.15	1.14	0.01
						4,531	8,916	7,934			
TEXTILE SPINNING											
Gadoon Textile Mills Limited	1,500	-	-	-	1,500	300	378	402	0.10	0.10	0.01
						300	378	402			
TEXTILE WEAVING											
Feroze 1888 Mills Limited	4,000	-	-	4,000	-	-	-	-	-	-	0.00
Shahtaj Textile Limited	-	500	-	-	500	48	48	51	0.01	0.01	0.01
						48	48	51			
TOBACCO											
Pakistan Tobacco Company Limited (note 5.3)	2,740	100	-	-	2,840	622	6,360	8,236	2.09	2.07	0.00
Phillip Morris Pakistan Limited	680	-	-	-	680	1,293	1,917	2,318	0.59	0.58	0.00
						1,915	8,277	10,554			
TRANSPORT											
Pakistan International Bulk Terminal Limited (note 5.3)	217,435	180,000	-	177,000	220,435	2,795	2,329	2,387	0.61	0.60	0.01
Pakistan International Container Terminal Limited	3,600	-	-	-	3,600	1,180	821	748	0.19	0.19	0.00
						3,975	3,150	3,135			
VANASPATI & ALLIED INDUSTRIES											
Unity Foods Limited	15,000	-	-	-	15,000	405	439	386	0.10	0.10	0.01
						405	439	386			
WOOLLEN											
Bannu Woollen Mills Limited	500	-	-	-	500	24	25	24	0.01	0.01	0.01
						24	25	24			
Total as at December 31, 2018						317,488	455,099	393,299			
Total as at June 30, 2018						315,077	523,694	452,453			

- 5.2 These include 100,000 shares having market value of Rs.12.8 million of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan Limited as on 31 December 2018.
- 5.3 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.

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

	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
Note		
Balance as of 1 July 2018	137,376	227,225
Unrealised appreciation in the value of investments during the period	-	(71,241)
Loss recognized in the income statement on sale - net	-	(18,608)
Balance as of period / year end recognised directly in the unit holders' fund	137,376	137,376

As a result of adopting IFRS 9, the revaluation gain amounting Rs.137.376 million as at June 30, 2018 has been adjusted in the opening retained earnings. Please refer to note 3.3.

6 DIVIDEND AND OTHER RECEIVABLES

	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
Note		
Dividend receivables	492	743
Profit receivable on bank balances	76	58
Advance Tax	24	24
Prepaid Listing Fee	14	-
	606	825

7 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 (2018: 0.75% p.a).

	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
Note		
Balance at beginning of the period / year	292	329
Remuneration for the period / year	1,672	3,558
Paid during the period / year	(1700)	(3,595)
Balance at end of the period / year	264	292

8 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.

	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
Note		
Balance at beginning of the period / year	77	87
Remuneration for the period / year	446	949
Paid during the period / year	(453)	(959)
Balance at end of the period / year	<u>70</u>	<u>77</u>

9 ANNUAL FEE TO THE SECURITIES AND 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.

	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
Note		
Balance at beginning of the period / year	451	491
Remuneration for the period / year	212	451
Paid during the period / year	(451)	(491)
Balance at end of the period / year	<u>212</u>	<u>451</u>

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
Auditors' remuneration		340	212
Sindh Sales Tax on Management remuneration	10.1	34	38
Federal Excise Duty on Management remuneration	10.2	1,357	1,357
Allocated expenses by the Management Company	10.3	35	120
Payable to Management Company against expenses		1	1
Provision against Sindh Workers Welfare Fund	10.4	2,179	2,179
Sindh Sales Tax on Trustee Fee and CDS Charges	10.1	9	10
Withholding tax payable		2	19
Zakat Payable		34	-
Other Liabilities		293	261
		4,284	4,197

10.1 During the period, an amount of Rs. 0.217 million was charged on account of sales tax on Management fee levied through Sindh Sales Tax on Services Act, 2011 and 0.058 million on trustee remuneration & CDS charges levied through Sindh Sales Tax on Finance Act 2015. As at period end, sales tax on Management Company remuneration of Rs 0.0343 million and on trustee remuneration & CDS charges amounting Rs 0.009 million was due, which was paid subsequent to the period end to the Management Company and Central Depository Company respectively, for onwards payment to the Government of Sindh.

10.2 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, 2016 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 December 31, 2018 would have been higher by Re 0.04 per unit (2018: Re 0.0423 per unit).

10.3 The reimbursable expenses have been charged as per NBFC Regulation 60, which states that fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum upto 0.1% of average net assets of the Scheme or actual

whichever is less. During the Period an amount of Rs 0.223 million is charged and Rs 0.035 million payable is related to reimburseable expense as per regulation 60.

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

Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.07 per unit (June 30, 2018: Re 0.07 per unit).

11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 0.76% which includes 0.11% representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations.

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments at the period end (June 30,2018: Nil).

13 NUMBER OF UNITS IN ISSUE

	31 December 2018 (Un-audited)	30 June 2018 (Audited)
	(Numbers)	
Total outstanding at beginning of the period / year	31,981,730	31,899,031
Issued during the period / year	1,235,411	1,005,211
Redemptions during the period / year	(622,078)	(922,512)
Total units in issue at the end of the period / year	<u>32,595,063</u>	<u>31,981,730</u>

31 December 2018 31 December 2017
(Un-audited) (Un-audited)
(Rupees in '000)

14 OTHER EXPENSES

Printing and stationery	68	160
National Clearing Company of Pakistan Limited charges	187	187
Central Depository Company of Pakistan Limited charges	2	5
Pakistan Stock Exchange listing fee	14	14
Sindh Sales Tax	276	292
Legal and Professional Charges	91	79
Fee and Subscription	8	7
Reimbursable expenses	223	236
Sindh workers' welfare fund	-	346
Security Transaction Cost	45	-
	914	<u>1,326</u>

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders, no provision in respect of taxation has been made in this condensed interim financial information.

16 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 31 December 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.

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

For the six months period ended
31 December 2018 31 December 2017
 (Un-audited) (Un-audited)
 (Rupees in '000)

AKD Investment Management Limited - Management Company of the Fund

Remuneration for the period	1,672	1,767
Sindh Sales tax on Management Company's Remuneration*	217	230
Allocated expenses by the management company	223	236
Sales Load	2	10

*Sales tax and FED is paid / payable to the management company for onwards payment to the Government.

National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)

Units issued : 926,031 (2017: Nil)
 Dividend paid

12,881	-
14,721	-

AKD Investment Management Limited Staff Provident Fund

Units issued : 177,910 (2017: 366,349)
 Redemption of units : 374,985 (2017: 315,788)
 Dividend paid

2,261	5,386
5,009	5,198
161	-

Central Depository Company of Pakistan Limited - Trustee

Trustee Fee
 Central Depository Service charges
 Sindh Sales Tax on Trustee Fee and CDS Charges

446	471
2	5
58	62

16.2 Balances outstanding at the period end

AKD Investment Management Limited - Management Company of the Fund

Remuneration payable
 Allocated expenses by management company payable
 Payable to Management Company - Others
 Sindh sales tax payable on Management Company's remuneration*

31 December 2018 30 June 2018
 (Un-audited) (Audited)
 (Rupees in '000)

264	292
35	120
1	1
34	38

Federal Excise Duty payable on Management Company's remuneration*
 Sales Load payable

1,357	1,357
3	1

Payable to Central Depository Company of Pakistan - Trustee

Remuneration payable
 Security deposit
 CDS charges payable
 Sales tax CDS charges & Trustee Fee payable

70	77
100	100
1	3
9	10

*Sales tax and FED is paid / payable to the management company for onwards payment to the Government.

	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
Mr. Aqeel Karim Dhedhi - Chairman of the Group Units outstanding - 390 (30 June 2018: 390) units	5	6
AKD Investment Management Limited Staff Provident Fund Number of units outstanding : 119,632 (30 June 2018: 316,708)	1,462	4,566
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund) Number of units outstanding : 29,898,676 91.73% of the total units in issue as at the period end) (30 June 2018 : 28,972,646 (90.59% of the total units in issue as at the year end))	365,278	417,716

17 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13 has not affected the condensed interim financial information.

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

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyse financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

ASSETS	----- As at December 31, 2018 -----			
	Level 1	Level 2	Level 3	Total
Investment in securities - at fair value through profit or loss'-net	----- (Rupees in '000) -----			
- Listed Equity securities	393,299	-	-	393,299
	393,299	-	-	393,299

ASSETS	----- As at June 30, 2018-----			
	Level 1	Level 2	Level 3	Total
Investment in securities - Available for sale	----- (Rupees in '000) -----			
- Listed Equity securities	452,453	-	-	452,453
	452,453	-	-	452,453

18. GENERAL

18.1 This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, the figures for the quarter ended 31 December 2018 in this condensed interim financial information wherever appearing have not been reviewed by the auditors.

18.2 This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest of rupees.

19 DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorised for issue on February 22, 2019 by the Board of Directors of the Management Company.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director



**AKD Investment
Management Ltd.**

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