

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

**Quarterly Report**  
**March 31, 2019**  
**(Un-audited)**



# quarterly 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 nine months report along with the Funds' unaudited financial statements for nine months ended March 31, 2019.

## FUNDS' FINANCIAL PERFORMANCE

### AKD Opportunity Fund (AKDOF)

For the 9MFY19, the return of AKD Opportunity Fund stood at -9.42% compared to the benchmark KSE-100 Index return of -7.78%.

### AKD Index Tracker Fund (AKDITF)

For the 9MFY19, the return of AKD Index Tracker Fund stood at -8.72% compared to the benchmark KSE-100 Index return of -7.78%.

### AKD Cash Fund (AKDCF)

For the 9MFY19, the annualized return of AKD Cash Fund stood at 7.20% compared to benchmark return of 7.97%.

### AKD Aggressive Income Fund (AKDAIF)

For the 9MFY19, the annualized return of AKD Aggressive Income Fund stood at 0.89% compared to benchmark return of 10.12%.

### AKD Islamic Income Fund (AKDISIF)

For the 9MFY19, the annualized return of AKD Islamic Income Fund stood at 7.50% compared to benchmark return of 3.26%.

### AKD Islamic Stock Fund (AKDISSF)

For the 9MFY19, the return of AKD Islamic Stock Fund stood at -14.07% compared to the benchmark KMI-30 Index return of -10.90%.

## MACRO PERSPECTIVE

The PTI led Government continued to adopt stringent measures to preserve depleting reserves, and reducing imports. However, the depleting GDP growth prospect (3.5% GDP growth rate forecasted by SBP as compared to 5.8% in the corresponding period), worsening fiscal deficit, degradation from global money-laundering watchdog (FATF) over regulatory concerns, and continued delays in IMF bailout program kept the economy under pressure.

The Current Account Deficit (CAD) for 8MFY19 stood at \$8.84 billion (4.5% of GDP) as compared to \$11.42 billion (5.3% of GDP) in the same period last year (SPLY), exhibiting a decline of 22.56% YoY. This improved performance was on the back of a decrease in imports of goods by 2% YoY to \$35.26 billion from \$35.83 billion, along with an increase in remittances of 12% YoY to \$14.35 billion. However, exports of goods could not pick up as anticipated, and remained approximately the same at \$15.98 billion, while the increase in debt servicing eroded the foreign exchange reserves by 2.24% YoY to \$17.40 billion.

On the fiscal front, the Federal Board of Revenue (FBR) managed to collect PKR2.68 trillion during 9MFY19 which was around 1.02% higher YoY as compared to the tax collection of PKR2.624 trillion in the SPLY. Despite this modest increase, FBR failed to meet its target for 9MFY19, causing a shortfall of PKR317 billion making it difficult for the Government to achieve its desired target of around PKR4.40 trillion for FY19.

As per Pakistan Bureau of Statistics (PBS), during the 9MFY19, average Consumer Price Index (CPI) was recorded at 6.78% YoY as compared to 3.78% YoY, SPLY. Core CPI calculated by excluding food and energy items clocked in at an alarming 8.24% compared to 5.44%, SPLY. Moreover, the State Bank of Pakistan (SBP) had upward revised its FY19 target of CPI between the range of 6.5-7.5% YoY in its November 2018 MPS, above the annual target of 6%, and maintained this estimate in its latest monetary policy of March 2019, on the back of increased international oil prices, recent Rupee devaluation and increase in gas tariffs. Due to this higher expected inflation, and burgeoning twin deficits, SBP increased the policy rate by 325 bps, to 10.75% during 9MFY19.

According to SBP, 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. Moreover, slowdown in the services sector, along with manufacturing sector, has also caused the SBP to reduce its expected real GDP growth of approximately 3.5% for FY19.

The Large Scale Manufacturing (LSM) sector, which constitutes 80% of the total manufacturing and 11% of overall GDP, witnessed a decrease of 2.30% for 7MFY19 (July-January). Major growth was witnessed in sectors such as Electronics (19.22%), Wood Products (18.12%), Engineering Products (12.42%), Fertilizers (5.81%), and Rubber Products (3.22%). On the other hand, LSM sectors which exhibited negative growth were Iron & Steel Products (9.13%), Pharmaceuticals (9.00%), Automobiles (5.24%), Coke & Petroleum Products (4.78%) and Food, Beverages & Tobacco (4.26%).

During 8MFY19, Pakistan was able to attract \$1.62 billion in Foreign Direct Investment (FDI) which is around 22.60% lower as compared to the corresponding period last year. This massive decrease was mainly due to a fall in Chinese inflows, due to the Chinese IPP power generation projects being already undertaken, and insignificant investor confidence due to the delayed IMF program. Furthermore, the visit of the Saudi Crown Prince, Mohammad Bin Salman, accompanied by an influential Saudi business delegation concluded a series of multi-billion-dollar agreements (approximately \$21 billion in next 5 years) which, in turn, would help Pakistan in regaining its FDI momentum.

In our view, PKR-USD depreciation of 15.66% in 9MFY19, imposition of regulatory duties on various import items, and funds received through financial assistance from friendly countries provided some relief to the Balance of Payment situation. A prospective bailout package by IMF is looking very plausible and the issuance of Diaspora bonds for overseas Pakistanis along with an increase in remittances will 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 the country's macro performance.

## **EQUITY MARKET REVIEW**

During 9MFY19, KSE-100 Index exhibited a decline of 7.78%, closing at 38,649.34 points. Despite a modest improvement seen in the index during the third quarter, the equity market remained under pressure on the back of depressed market participation arising from decreased investor confidence, stemming from weak economic conditions (balance of payment crisis, currency depreciation, and widening fiscal deficit) and continued foreign investor selling during the

period (FIPI recorded net selling of \$372.98 million). On the other hand, the average traded volume stood at 82.51 million shares as compared to 87.19 million shares in the SPLY showing a decline of 5.38% YoY.

Inflationary pressures continued to persist, primarily due to increase in food, housing and transport indices, which led the State Bank of Pakistan (SBP) to increase the policy rate by 325 bps to 10.75% during the 9MFY19. This prompted investors to realign their portfolios from equity market to fixed income instruments (T-bills, National Savings Schemes, PIBs, and Bank Deposits etc.) in pursuit of attractive returns.

Going forward, an expected increase in international crude oil price will provide an upside to the oil sector, improving earnings for the Exploration & Production (E&P) sector (Contributing to around 15.79% in KSE-100 Index). A major trigger for the sector would be any significant discovery in the outcome of offshore well Kekra-1, which will be positive for the sector as well as overall economy. On the other hand, rising interest rates would help the banking sector (Contributing to around 25.59% in KSE-100 Index) to regain its momentum, especially ones with the high current account portion and low PIB base.

However, improved liquidity emerging from the renewed investor confidence would still be a major driver for the market. Furthermore, improvement in macro-performance, and entry into an IMF program would bring more clarity, and possibly recover the market sentiments. Currently, the KSE -100 Index is trading at an attractive multiple of 6.99x and at a 46.68% discount in comparison to the emerging markets, offering potential upside for investors.

## **MONEY MARKET REVIEW**

During 9MFY19, twenty T-Bill auctions were carried out by the SBP, where government successfully managed to raise PKR13.53 trillion. Weighted average yield on 3-month and 6-month period were 9.10% and 9.41% respectively, as compared to 6.05%, and 6.01%, SPLY. There was no 12-month T-bill auctioned during the period.

To further address the need of liquidity, SBP conducted nine auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR441.01 billion during 9MFY19. The yields maintained an upward trend as weighted average maturity yield on 3-year, 5-year, and 10-year maturity rose to 9.08%, 10.30%, and 8.40%, as compared to 6.4%, 6.89%, and 7.94%, SPLY.

The government announced four Monetary Policy Statements (MPS) in 9MFY19, during which it increased the policy rate by 325bps cumulatively, thus taking the policy rate to 10.75%. State Bank of Pakistan conducted 29 Open Market Operations (OMO) in 9MFY19 of different maturities, and injected average amount of PKR758.69 billion per OMO at an average cut-off yield of 8.71%.

As per the SBP's auction calendar, government is targeting to raise PKR300 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 in next 3 months to pay back the maturing debt of PKR3.54 trillion. In addition, SBP will raise another PKR300 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, recent aid from friendly countries (Saudi, Chinese, and UAE) should provide external support during FY19, but possible entry into an IMF program still remains of paramount importance as the financial assistance haven't been able to solve liquidity concerns of the country completely.

Despite a gradual improvement in Current Account Deficit during 8MFY19, it still remains a major concern of the incumbent Government and needs urgent remedial measures to

decelerate imports, increasing exports, and further improve foreign inflows. However, shifting towards less costly alternative for power production, currency devaluation (15.66% in 9MFY19), and incentives provided to export oriented industries (reduced duties & Rebates) is expected to improve the external account situation. Oil credit facility from Saudi Arabia of \$6 billion will further support the CAD situation. Moreover, remittances are also expected to increase further owing to seasonal impact of Ramadhan, along with weakening currency which will further support the ailing economy. Furthermore, measures being taken to curb money laundering and hawala hundi system, will force the money to flow through official channels.

We believe a significant reversal in equity market 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 6.99x and 8.21% respectively as compared to Emerging Market P/E and DY of 13.11x and 2.71% respectively). The investor confidence level and foreign participation will play a major role in this regard.

On the Fixed Income side, a further increase in interest rates has further led to an economic slowdown. Yields on 6 Month T-Bills have surged from 6.90% to around 11.00% during 9MFY19 and are likely increase further by the end of 2019. However, equity markets will have to offer more to entice investors to compete with other asset classes (Pakistan Investment Bonds, Income Funds, National Savings Certificates and Bank Deposits) which are beginning to offer more attractive yields.

Lastly, we believe that there is high probability of Pakistan being removed from the MSCI emerging market in the upcoming review in May 2019, especially after its weight in the MSCI EM index falling to just above 3 bps. However, even if it is removed, it would come into effect after 18 months and isn't expected to cause any major negative activity in the market.

For and on behalf of the Board

**Imran Motiwala**  
Chief Executive Officer

**Abdul Karim**  
Chairman

Karachi: April 27, 2019

# **AKD Index Tracker Fund**

## **Financial Information - Third Quarter 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 Shahr-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.

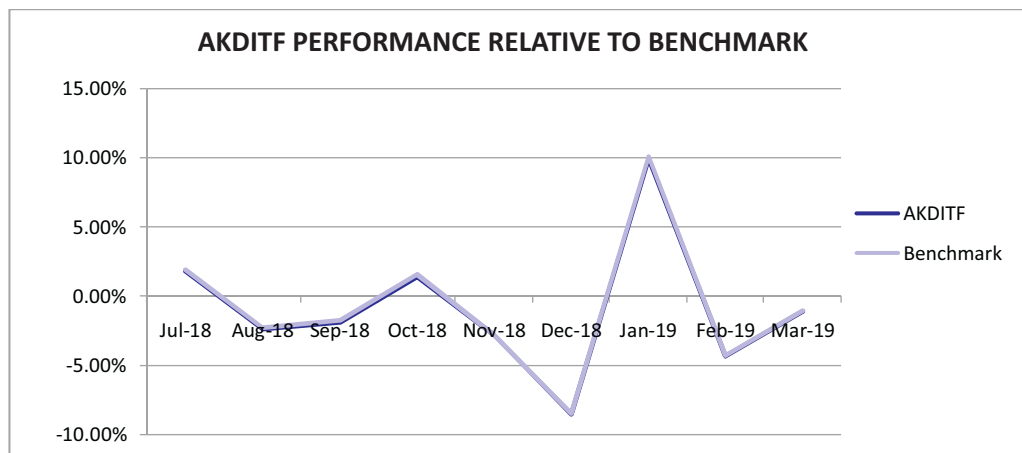
**iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:**

For the 9MFY19, the return of AKD Index Tracker Fund stood at -8.72% compared to the benchmark KSE-100 Index return of -7.78%.

**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	Jan-19	Feb-19	Mar-19
<b>AKDITF</b>	1.80%	-2.40%	-1.90%	1.39%	-2.82%	-8.54%	9.88%	-4.34%	-1.13%
<b>Benchmark</b>	1.91%	-2.27%	-1.78%	1.59%	-2.77%	-8.47%	10.07%	-4.28%	-1.04%

**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.

## AKD Index Tracker Fund - Quarterly Report March 2019

- 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-Mar-19	31-Dec-18
Equities	96.21%	96.66%
Cash	2.12%	2.55%
Other Assets	1.67%	0.79%

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

9MFY19 Return	-8.72%
9MFY19 Benchmark	-7.78%

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

Net Assets Value		NAV Per Unit		
31-Mar-19	31-Dec-18	Change in Net Assets	31-Mar-19	31-Dec-18
(Rupees In "000")			Rs.	Rs.
413,366	398,221	3.80%	12.70	12.22

- 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 PTI led Government continued to adopt stringent measures to preserve depleting reserves, and reducing imports However, the depleting GDP growth prospect (3.5% GDP growth rate forecasted by SBP as compared to 5.8% in the corresponding period), worsening fiscal deficit, degradation from global money-laundering watchdog (FATF) over regulatory concerns, and continued delays in IMF bailout program kept the economy under pressure.

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### **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, recent aid from friendly countries (Saudi, Chinese, and UAE) should provide external support during FY19, but possible entry into an IMF program still remains of paramount importance as the financial assistance haven't been able to solve liquidity concerns of the country completely.

Despite a gradual improvement in Current Account Deficit during 8MFY19, it still remains a major concern of the incumbent Government and needs urgent remedial measures to decelerate imports, increasing exports, and further improve foreign inflows. However, shifting towards less costly alternative for power production, currency devaluation (15.66% in 9MFY19), and incentives provided to export oriented industries (reduced duties & Rebates) is expected to improve the external account situation. Oil credit facility from Saudi Arabia of \$6 billion will further support the CAD situation. Moreover, remittances are also expected to increase further owing to seasonal impact of Ramadhan, along with weakening currency which will further support the ailing economy. Furthermore, measures being taken to curb money laundering and hawala hundi system, will force the money to flow through official channels.

We believe a significant reversal in equity market 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 6.99x and 8.21% respectively as compared to Emerging Market P/E and DY of 13.11x and 2.71% respectively). The investor confidence level and foreign participation will play a major role in this regard.

On the Fixed Income side, a further increase in interest rates has further led to an economic slowdown. Yields on 6 Month T-Bills have surged from 6.90% to around 11.00% during 9MFY19 and are likely increase further by the end of 2019. However, equity markets will have to offer more to entice investors to compete with other asset classes (Pakistan Investment Bonds, Income Funds, National Savings Certificates and Bank Deposits) which are beginning to offer more attractive yields.

Lastly, we believe that there is high probability of Pakistan being removed from the MSCI emerging market in the upcoming review in May 2019, especially after its weight in the MSCI EM index falling to just above 3 bps. However, even if it is removed, it would come into effect after 18 months and isn't expected to cause any major negative activity in the market.

**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:**

<b>Range (Units)</b>	<b>No. of Investors</b>
0.1 - 9,999	629
10,000 - 49,999	27
50,000 - 99,999	4
100,000 - 499,999	4
500,000 and above	1
	665

**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.

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT MARCH 31, 2019**

	Note	31 March 2019 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
<b>Assets</b>			
Bank balances	4	8,956	13,965
Investments	5	406,109	452,453
Dividend, markup and other receivables	6	4,425	825
Security deposits		2,600	2,600
<b>Total assets</b>		<b>422,090</b>	<b>469,843</b>
<b>Liabilities</b>			
Remuneration payable to the Management Company	7	265	292
Remuneration payable to the Trustee	8	70	77
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	311	451
Accrued expenses and other liabilities	10	4,350	4,197
Unclaimed dividend		3,728	3,728
<b>Total liabilities</b>		<b>8,724</b>	<b>8,745</b>
<b>Contingencies and commitments</b>	12	-	-
		<b>413,366</b>	<b>461,098</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>413,366</b>	<b>461,098</b>
		(Number of units)	
<b>Number of units in issue</b>	13	<b>32,558,269</b>	<b>31,981,730</b>
		(Rupees)	
<b>Net assets value per unit (face value per unit Rs. 10/-)</b>		<b>12.70</b>	<b>14.42</b>

The annexed notes from 1 to 18 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

Note	Nine months period ended 31 March		Three months period ended 31 March	
	2019	2018	2019	2018
----- (Rupees in '000) -----				
<b>Income</b>				
(Loss) / gain on sale of investments' - net	(2,223)	10,927	(205)	2,863
Dividend income	16,211	17,720	4,869	5,189
Profit on bank balances	735	493	258	146
Unrealized appreciation / (diminution) on remeasurement of investment classified as 'at fair value through profit or loss'-net	(49,449)	-	12,351	-
	(34,726)	29,140	17,273	8,198
<b>Expenses</b>				
Remuneration to the Management Company	2,455	2,655	783	888
Remuneration to the Trustee	655	708	209	237
Annual fee to the Securities and Exchange Commission of Pakistan	311	336	99	113
Bank Charges	12	19	4	1
Auditors' remuneration	194	275	66	74
Other expenses	1,425	1,975	511	650
	5,052	5,968	1,672	1,963
<b>Net income for the period before taxation</b>	(39,778)	23,172	15,601	6,235
<b>Taxation</b>	14	-	-	-
<b>Net income for the period after taxation</b>	(39,778)	23,172	15,601	6,235
<b>Allocation of net income for the period:</b>				
Net income for the period after taxation	-	23,172	15,601	6,235
Income already paid on units redeemed	-	-	-	-
	-	23,172	15,601	6,235
<b>Accounting income available for distribution:</b>				
-Relating to Capital gains	-	-	-	-
-Excluding Capital gains	-	-	-	-
	-	-	-	-

The annexed notes from 1 to 18 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended 31 March		Three months period ended 31 March	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net (loss) / income for the period	<b>(39,778)</b>	23,172	<b>15,601</b>	6,235
<b>Other comprehensive income for the period</b>				
<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	-	(26,775)	-	50,295
- Diminution in Fair value of 'available for sale' investment transferred to profit and loss account on sale - net	-	(14,114)	-	(3,598)
<b>Total comprehensive (loss) / income for the period</b>	<b>(39,778)</b>	<b>(17,717)</b>	<b>15,601</b>	<b>52,932</b>

The annexed notes from 1 to 18 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	Nine months period ended 31 March		Three months period ended 31 March	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net (loss) / profit for the period	<b>(39,778)</b>	23,172	<b>15,601</b>	6,235
<b>Adjustments for:</b>				
Unrealized diminution / (appreciation) on remeasurement of investment classified as 'at fair value through profit or loss'-net	<b>49,449</b>	-	<b>(12,351)</b>	-
	<b>9,671</b>	23,172	<b>3,250</b>	6,235
<b>(increase) / Decrease in assets</b>				
Investments	<b>(3,105)</b>	(16,750)	<b>(459)</b>	(5,921)
Dividend, markup and other receivables	<b>(3,600)</b>	2,761	<b>(3,819)</b>	(2,085)
	<b>(6,705)</b>	(13,989)	<b>(4,278)</b>	(8,006)
<b>(Decrease) / increase in liabilities</b>				
Remuneration payable to the Management Company	<b>(27)</b>	(20)	<b>1</b>	31
Remuneration payable to the Trustee	<b>(7)</b>	(6)	<b>-</b>	8
Annual fee payable to the Securities and Exchange Commission of Pakistan	<b>(140)</b>	(155)	<b>99</b>	112
Payable against redemption of units	<b>-</b>	(273)	<b>(109)</b>	-
Accrued expenses and other liabilities	<b>153</b>	(3,198)	<b>66</b>	102
	<b>(21)</b>	(3,652)	<b>57</b>	253
<b>Net cash generated / (used in) from operating activities</b>	<b>2,945</b>	5,531	<b>(971)</b>	(1,518)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash received on issuance of units	<b>17,235</b>	12,127	<b>320</b>	5,353
Dividend paid	<b>(16,250)</b>	-	<b>-</b>	-
Cash paid on redemption of units	<b>(8,939)</b>	(14,357)	<b>(776)</b>	(5,820)
<b>Net cash used in financing activities</b>	<b>(7,954)</b>	(2,230)	<b>(456)</b>	(467)
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(5,009)</b>	3,301	<b>(1,427)</b>	(1,985)
Cash and cash equivalents at beginning of the period	<b>13,965</b>	6,020	<b>10,383</b>	11,306
<b>Cash and cash equivalents at end of the period</b>	<b>8,956</b>	9,321	<b>8,956</b>	9,321

The annexed notes from 1 to 18 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

## AKD Index Tracker Fund - Quarterly Report March 2019

### CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended 31 March 2019			Nine months period ended 31 March 2018			
	----- (Rupees in '000) -----			----- (Rupees in '000) -----			
	Capital value	Undistributed income / (loss)	Total	Capital value	Undistributed income / (loss)	Unrealised (losses) / gains on available for sale investments	Total
<b>Net assets at beginning of the period</b>	<b>342,764</b>	<b>118,334</b>	<b>461,098</b>	342,044	(49,318)	227,225	519,951
Issue of 1,260,430 units (2018:817,438 units)							
- Capital value (at net asset value per unit at the beginning of the period)	17,532	-	17,532	13,324	-	-	13,324
- Element of income	(297)	-	(297)	(1,197)	-	-	(1,197)
Total proceeds on issuance of units	17,235	-	17,235	12,127	-	-	12,127
Redemption of 683,891 units (2018: 917,126 units)							
- Capital value (at net asset value per unit at the beginning of the period)	9,513	-	9,513	14,949	-	-	14,949
- Element of income	(574)	-	(574)	(592)	-	-	(592)
Total payments on redemption of units	8,939	-	8,939	14,357	-	-	14,357
Net income for the period less distribution	-	(39,778)	(39,778)	-	23,172	(40,889)	(17,717)
Distribution during the period	-	(16,250)	(16,250)	-	-	-	-
Net (loss) / income for the period less distribution	-	(56,028)	(56,028)	-	23,172	(40,889)	(17,717)
<b>Net assets at end of the period</b>	<b>351,060</b>	<b>62,306</b>	<b>413,366</b>	339,814	(26,146)	186,336	500,004
Undistributed income / (loss) brought forward		118,334			(49,318)		
- Relating to capital gains	-	-		-	-		
- Excluding capital gains	-	-		-	-		
Net income / (loss) for the period after taxation		(39,778)			23,172		
Distribution during the period		(16,250)			-		
Undistributed (loss) / income carried forward		<u>62,306</u>			<u>(26,146)</u>		
		(Rupees)					(Rupees)
Net assets value per unit at beginning of the period		<u>14.42</u>					<u>16.30</u>
Net assets value per unit at end of the period		<u>12.70</u>					<u>15.72</u>

The annexed notes from 1 to 18 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

#### 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 February 08, 2019. 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 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 VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

**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.

### **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, 2018 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.

## AKD Index Tracker Fund - Quarterly Report March 2019

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')-----					
<b>Financial assets</b>					
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.

		31 March 2019	30 June 2018
	Note	(Un-audited)	(Audited)
		(Rupees in '000)	
<b>4 BANK BALANCES</b>			
Saving Accounts	4.1	8,567	13,446
Current Accounts		389	519
		8,956	13,965

- 4.1 These represent profit and loss sharing accounts maintained with various banks carrying profit rates ranging from 8.25% to 8.85% (30 June 2018: 4.50% to 6%) per annum.

		31 March 2019	30 June 2018
	Note	(Un-audited)	(Audited)
		(Rupees in '000)	
<b>5 INVESTMENTS</b>			
<i>Investments in securities classified as 'at fair value through profit or loss'-net</i>			
Listed equity securities	5.1	406,109	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 March 31, 2019	Cost as of the period ended March 31, 2019	Carrying value (before revaluation as of the period ended March 31, 2019)	Market value as of the period ended March 31, 2019 (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) -----			
<b>AUTOMOBILE ASSEMBLER</b>											
Atlas Honda Limited	2,100	-	-	-	2,100	1,066	1,071	794	0.20	0.19	-
Honda Atlas Cars(Pakistan) Limited	6,100	-	-	-	6,100	1,399	1,930	1,464	0.36	0.35	-
Indus Motor Company Limited	2,969	-	-	-	2,969	756	4,220	3,874	0.95	0.94	-
Millat Tractors Limited	5,043	-	-	100	4,943	2,660	5,873	4,424	1.09	1.07	0.01
Pak Suzuki Motor Company Limited	4,720	-	-	-	4,720	385	1,857	1,295	0.32	0.31	0.01
						<b>6,266</b>	<b>14,951</b>	<b>11,851</b>			
<b>Automobile Parts &amp; Accessories</b>											
Agriauto Industries Limited (Face value Rs. 5/each)	4,000	-	-	-	4,000	1,296	1,180	905	0.22	0.22	0.01
Thal Limited (Face value Rs. 5/each)	7,171	-	-	-	7,171	924	3,424	3,026	0.75	0.73	0.01
						<b>2,220</b>	<b>4,604</b>	<b>3,931</b>			
<b>CABLE &amp; ELECTRICAL GOODS</b>											
Pak Elektron Limited	53,775	-	-	-	53,775	3,198	1,907	1,247	0.31	0.30	0.01
						<b>3,198</b>	<b>1,907</b>	<b>1,247</b>			
<b>CEMENT</b>											
Bestway Cement Limited	6,200	-	-	-	6,200	1,659	812	693	0.17	0.17	-
Cherat Cement Company Limited(note 5.3)	23,096	-	-	1,000	22,096	1,534	2,148	1,388	0.34	0.34	0.01
D. G. Khan Cement Company Limited	48,687	-	-	-	48,687	2,888	5,574	4,158	1.02	1.01	0.01
Fauji Cement Company Limited	167,850	8,000	-	2,000	173,850	2,410	3,998	3,470	0.85	0.84	0.01
Kohat Cement Company Limited	9,500	3,500	2,850	2,000	13,850	1,266	1,268	1,189	0.29	0.29	0.01
Lucky Cement Limited	28,933	1,000	-	500	29,433	6,858	14,959	12,604	3.10	3.05	0.01
Maple Leaf Cement Factory Limited	60,512	-	-	-	60,512	3,175	3,070	2,266	0.56	0.55	0.01
Pioneer Cement Limited	26,100	-	-	-	26,100	1,765	1,223	907	0.22	0.22	0.01
						<b>21,555</b>	<b>33,052</b>	<b>26,675</b>			
<b>CHEMICALS</b>											
Archroma Pakistan Limited (note 5.3)	1,950	-	-	-	1,950	1,141	985	1,121	0.28	0.27	0.01
Colgate Palmolive(Pakistan) Limited	1,016	20	203	-	1,239	375	3,250	2,478	0.61	0.60	-
Engro Polymer & Chemicals Limited	68,497	50,000	-	15,000	103,497	3,480	3,257	3,759	0.93	0.91	0.01
ICI Pakistan Limited	3,038	-	-	-	3,038	619	2,435	2,018	0.50	0.49	-
						<b>5,615</b>	<b>9,927</b>	<b>9,376</b>			
<b>CLOSE - END MUTUAL FUND</b>											
HBL Growth Fund-Class A	-	57,512	-	-	57,512	995	995	502	0.12	0.12	0.02
PICIC Growth Fund	56,012	-	-	56,012	-	-	-	-	-	-	-
						<b>995</b>	<b>995</b>	<b>502</b>			

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 March 31, 2019	Cost as of the period ended March 31, 2019	Carrying value (before revaluation as of the period ended March 31, 2019)	Market value as of the period ended March 31, 2019 (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)			
<b>COMMERCIAL BANKS</b>											
Allied Bank Limited	38,162	-	-	-	38,162	2,338	3,936	4,123	1.02	1.00	-
Askari Bank Limited	80,813	-	-	-	80,813	1,175	1,767	1,653	0.41	0.40	0.01
Bank Al Habib Limited	160,332	7,500	-	5,000	162,832	5,193	12,836	13,948	3.43	3.37	0.01
Bank Alfalah Limited (note 5.3)	125,305	6,000	12,530	1,500	142,335	2,307	6,775	6,700	1.65	1.62	0.01
Faysal Bank Limited	100,680	-	-	-	100,680	870	2,618	2,370	0.58	0.57	0.01
Habib Bank Limited	164,083	9,500	-	6,500	167,083	31,589	27,718	22,137	5.45	5.36	0.01
Habib Metropolitan Bank Limited	104,568	5,000	-	2,000	107,568	2,342	4,664	4,462	1.10	1.08	0.01
MCB Bank Limited	92,228	4,000	-	2,000	94,228	15,691	18,630	18,519	4.56	4.48	0.01
Meezan Bank Limited	34,753	25,500	4,775	-	65,028	4,522	5,150	6,441	1.59	1.56	0.01
National Bank Of Pakistan	113,238	-	-	-	113,238	4,471	5,364	4,536	1.12	1.10	0.01
Standard Chartered Bank (Pakistan) Limited	40,848	-	-	-	40,848	327	980	929	0.23	0.22	-
The Bank of Punjab (note 5.3)	240,659	15,000	-	-	255,659	2,567	3,103	3,329	0.82	0.81	0.01
United Bank Limited	108,929	4,000	-	1,100	111,829	16,684	18,887	15,604	3.84	3.77	0.01
						<b>90,076</b>	<b>112,428</b>	<b>104,751</b>			
<b>ENGINEERING</b>											
Aisha Steel Mills Limited	-	60,000	-	-	60,000	738	738	632	0.16	0.15	0.01
Amreli Steels Limited	16,000	-	-	-	16,000	1,496	1,129	689	0.17	0.17	0.01
Crescent Steel & Allied Products Limited	7,900	-	-	7,900	-	-	-	-	-	-	-
International Industries Limited	12,000	-	-	-	12,000	3,181	2,787	1,489	0.37	0.36	0.01
International Steels Limited	39,500	-	-	-	39,500	949	4,017	2,529	0.62	0.61	0.01
						<b>6,364</b>	<b>8,671</b>	<b>5,339</b>			
<b>FERTILIZER</b>											
Dawood Hercules Corporation Limited	75,396	-	-	4,000	71,396	4,692	7,909	9,165	2.26	2.22	0.01
Engro Corporation Limited	64,074	2,500	-	1,000	65,574	11,514	20,619	21,458	5.28	5.19	0.01
Engro Fertilizer Limited	133,275	7,000	-	4,500	135,775	9,702	10,218	9,715	2.39	2.35	0.01
Fatima Fertilizer Company Limited	71,734	-	-	2,000	69,734	1,799	2,259	2,328	0.57	0.56	0.00
Fauji Fertilizer Bin Qasim Limited	72,451	-	-	-	72,451	2,465	2,797	2,481	0.61	0.60	0.01
Fauji Fertilizer Company Limited	156,050	46,000	-	44,000	158,050	15,052	15,884	16,510	4.07	3.99	0.01
						<b>45,224</b>	<b>59,686</b>	<b>61,657</b>			
<b>FOOD &amp; PERSONAL CARE-PRODUCTS</b>											
Engro Foods Limited	16,674	-	-	-	16,674	1,597	1,485	1,153	0.28	0.28	-
Murree Brewery Company Limited	2,317	50	463	-	2,830	355	1,712	2,210	0.54	0.53	0.01
National Foods Limited	5,650	500	1,130	-	7,280	1,290	1,910	1,376	0.34	0.33	0.01
Nestle Pakistan Limited	1,469	20	-	980	509	4,997	5,816	3,661	0.90	0.89	-
						<b>8,239</b>	<b>10,923</b>	<b>8,400</b>			

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 March 31, 2019	Cost as of the period ended March 31, 2019			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
						Carrying value (before revaluation as of the period ended March 31, 2019)	Market value as of the period ended March 31, 2019 (revised carrying value)	Market value as of the period ended March 31, 2019			
	(Number of Shares)					(Rupees in '000')			(Percentage)		
<b>GLASS &amp; CERAMICS</b>											
Ghani Glass Limited	23,233	3,500	7,269	6,000	28,002	1,617	1,394	1,389	0.34	0.34	0.01
						<b>1,617</b>	<b>1,394</b>	<b>1,389</b>			
<b>INSURANCE</b>											
Adamjee Insurance Company Limited (note 5.3)	62,240	-	-	6,000	56,240	1,741	2,741	2,252	0.55	0.54	0.02
EFU General Insurance Limited	15,237	-	-	-	15,237	745	2,281	1,573	0.39	0.38	0.01
IGI Holdings Limited	6,797	-	1,019	-	7,816	457	1,964	1,470	0.36	0.36	0.01
Jubilee Life Insurance Company Limited	2,447	1,100	-	-	3,547	1,732	2,391	1,383	0.34	0.33	-
						<b>4,675</b>	<b>9,377</b>	<b>6,678</b>			
<b>INVESTMENT BANK/INV.COS/SEC COS.</b>											
Jahangir Siddiqui & Company Limited	51,203	-	-	51,203	-	-	-	-	-	-	-
Pakistan Stock Exchange Limited	40,000	10,000	-	-	50,000	1,237	993	821	0.20	0.20	0.01
						<b>1,237</b>	<b>993</b>	<b>821</b>			
<b>JUTE</b>											
Crescent Jute Products Limited	500	-	-	-	500	3	-	-	-	-	-
						<b>3</b>	<b>-</b>	<b>-</b>			
<b>LEASING COMPANIES</b>											
Orix Leasing Pakistan Limited	14,534	-	2,906	-	17,440	774	632	438	0.11	0.11	0.01
						<b>774</b>	<b>632</b>	<b>438</b>			
<b>LEATHER &amp; TANNERIES</b>											
Bata Pakistan Limited	377	-	-	-	377	192	716	640	0.16	0.15	-
						<b>192</b>	<b>716</b>	<b>640</b>			
<b>MISCELLANEOUS</b>											
Pakistan Services Limited	5,650	-	-	100	5,550	1,716	5,467	5,009	1.23	1.21	0.02
Shifa International Hospital Limited	5,454	-	-	-	5,454	924	1,473	1,343	0.33	0.32	0.01
						<b>2,640</b>	<b>6,940</b>	<b>6,352</b>			
<b>MODARABAS</b>											
First Habib Modaraba	4,500	-	-	-	4,500	50	48	46	0.01	0.01	-
						<b>50</b>	<b>48</b>	<b>46</b>			
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Limited	4,941	100	494	-	5,535	946	7,586	6,892	1.70	1.67	-
Oil & Gas Development Company Limited(note 5.2)	143,737	6,500	-	3,200	147,037	18,781	22,834	21,695	5.34	5.25	-
Pakistan Oilfields Limited	23,979	1,300	4,955	600	29,634	8,944	16,536	13,254	3.26	3.21	0.01
Pakistan Petroleum Limited	107,124	6,500	16,668	5,100	125,192	12,958	23,350	23,159	5.70	5.60	0.01
						<b>41,629</b>	<b>70,306</b>	<b>65,000</b>			

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	(Number of Shares)				(Rupees in '000')			(Percentage)			
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Attock Petroleum Limited	4,450	400	890	100	5,640	1,670	2,779	2,248	0.55	0.54	0.01
Hascol Petroleum Limited	11,240	-	2,810	-	14,050	2,675	3,527	1,822	0.45	0.44	0.01
Pakistan State Oil Company Limited	32,553	1,500	6,610	500	40,163	6,405	10,675	8,682	2.14	2.10	0.01
Shell Pakistan Limited	4,751	-	-	-	4,751	469	1,502	1,251	0.31	0.30	-
Sui Northern Gas Pipelines Limited	64,670	-	-	-	64,670	4,311	6,481	4,857	1.20	1.18	0.01
Sui Southern Gas Company Limited	66,828	-	-	-	66,828	1,305	2,193	1,460	0.36	0.35	0.01
						<b>16,835</b>	<b>27,157</b>	<b>20,320</b>			
<b>OPEN-END MUTUAL FUNDS</b>											
HBL Growth Fund-Class B Segment	-	56,012	-	56,012	-	-	-	-	-	-	-
<b>PAPER &amp; BOARD</b>											
Packages Limited	6,789	-	-	700	6,089	1,367	2,982	2,312	0.57	0.56	0.01
						<b>1,367</b>	<b>2,982</b>	<b>2,312</b>			
<b>PHARMACEUTICALS</b>											
Abbot Laboratories (Pakistan) Limited	4,515	500	-	250	4,765	3,624	3,238	3,038	0.75	0.73	-
Glaxo Smithkline Pakistan Limited	11,073	-	-	-	11,073	603	1,838	1,590	0.39	0.38	-
Glaxosmithkline Consumer Healthcare Pakistan Limited	-	3,000	-	-	3,000	926	926	1,021	0.25	0.25	-
The Searle Company Limited	16,517	4,000	2,477	2,000	20,994	4,096	6,105	4,972	1.22	1.20	0.01
						<b>9,249</b>	<b>12,107</b>	<b>10,621</b>			
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
Hub Power Company Limited	155,741	56,500	-	3,500	208,741	14,210	19,257	15,307	3.77	3.70	0.02
K-Electric Limited	619,148	-	-	-	619,148	3,401	3,517	3,461	0.85	0.84	-
Kot Addu Power Company Limited	100,779	4,000	-	1,000	103,779	6,756	5,591	4,698	1.16	1.14	0.01
Nishat Chunian Power Limited	38,465	-	-	-	38,465	944	1,082	838	0.21	0.20	0.01
Nishat Power Limited	32,070	-	-	32,070	-	-	-	-	-	-	-
Saif Power Limited	39,500	-	-	-	39,500	1,157	1,046	914	0.23	0.22	0.01
						<b>26,468</b>	<b>30,493</b>	<b>25,218</b>			
<b>REAL ESTATE INVESTMENT TRUST</b>											
Dolmen City Reit	120,000	-	-	-	120,000	1,245	1,548	1,373	0.34	0.33	0.01
						<b>1,245</b>	<b>1,548</b>	<b>1,373</b>			
<b>REFINERY</b>											
Attock Refinery Limited	7,419	-	1,854	-	9,273	1,138	1,597	992	0.24	0.24	0.01
Byco Petroleum Limited	-	110,000	-	-	110,000	1,030	1,030	875	0.22	0.21	-
National Refinery Limited	5,493	-	-	-	5,493	1,317	2,433	924	0.23	0.22	0.01
						<b>3,485</b>	<b>5,060</b>	<b>2,791</b>			

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 March 31, 2019	Cost as of the period ended March 31, 2019		Carrying value (before revaluation as of the period ended March 31, 2019)	Market value as of the period ended March 31, 2019 (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)				
<b>SUGAR &amp; ALLIED INDUSTRIES</b>												
JDW Sugar Mills Limited	2,050	-	-	2,050	-	-	-	-	-	-	-	-
Shakarganj Limited	-	9,000	-	-	9,000	515	515	563	0.14	0.14	0.01	-
						<b>515</b>	<b>515</b>	<b>563</b>				
<b>SYNTHETICS AND RAYON</b>												
Gatron (Industries) Limited	-	1,000	-	600	400	106	106	122	0.03	0.03	-	-
Ibrahim Fibres Limited	3,000	-	-	3,000	-	-	-	-	-	-	-	-
						<b>106</b>	<b>106</b>	<b>122</b>				
<b>TECHNOLOGY &amp; COMMUNICATION</b>												
Hum Network Limited	134,600	-	-	-	134,600	944	1,089	579	0.14	0.14	0.01	-
Pakistan Telecommunication Company Limited	127,017	-	-	-	127,017	1,451	1,453	1,155	0.28	0.28	-	-
Systems Limited	13,000	-	-	-	13,000	1,246	1,316	1,385	0.34	0.33	0.01	-
TRG Pakistan Limited	102,855	-	-	-	102,855	3,190	2,946	2,372	0.58	0.57	0.02	-
						<b>6,831</b>	<b>6,804</b>	<b>5,491</b>				
<b>TEXTILE COMPOSITE</b>												
Kohinoor Textile Mills Limited	49,695	-	-	-	49,695	1,657	2,733	2,230	0.55	0.54	0.02	-
Nishat (Chunian) Limited	23,830	-	-	-	23,830	809	1,131	1,233	0.30	0.30	0.01	-
Nishat Mills Limited	35,847	-	-	-	35,847	2,065	5,052	4,825	1.19	1.17	0.01	-
						<b>4,531</b>	<b>8,916</b>	<b>8,288</b>				
<b>TEXTILE SPINNING</b>												
Gadoon Textile Mills Limited	1,500	-	-	-	1,500	300	378	360	0.09	0.09	0.01	-
						<b>300</b>	<b>378</b>	<b>360</b>				
<b>TEXTILE WEAVING</b>												
Feroze 1888 Mills Limited	4,000	-	-	4,000	-	-	-	-	-	-	-	-
Shahtaj Textile Limited (note 5.3)	-	500	-	-	500	48	48	46	0.01	0.01	0.01	-
						<b>48</b>	<b>48</b>	<b>46</b>				
<b>TOBACCO</b>												
Pakistan Tobacco Company Limited	2,740	100	-	-	2,840	622	6,360	7,515	1.85	1.82	-	-
Phillip Morris Pakistan Limited	680	-	-	-	680	1,293	1,917	2,719	0.67	0.66	-	-
						<b>1,915</b>	<b>8,277</b>	<b>10,234</b>				
<b>TRANSPORT</b>												
Pakistan International Bulk Terminal Limited	217,435	180,000	-	177,000	220,435	2,795	2,329	2,207	0.54	0.53	0.01	-
Pakistan International Container Terminal Limited	3,600	-	-	-	3,600	1,180	821	762	0.19	0.18	-	-
						<b>3,975</b>	<b>3,150</b>	<b>2,969</b>				
<b>VANASPATI &amp; ALLIED INDUSTRIES</b>												
Unity Foods Limited	15,000	-	33,274	-	48,274	407	442	284	0.07	0.07	0.03	-
						<b>407</b>	<b>442</b>	<b>284</b>				

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 March 31, 2019	----- (Number of Shares) -----			----- (Rupees in '000') -----			
						Cost as of the period ended March 31, 2019	Carrying value (before revaluation as of the period ended March 31, 2019)	Market value as of the period ended March 31, 2019 (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	
<b>WOOLLEN</b>												
Bannu Woollen Mills Limited	500	-		-	500	24	25	24	0.01	0.01	0.01	
						<b>24</b>	<b>25</b>	<b>24</b>				
<b>Total as at March 31, 2019</b>						<b>319,870</b>	<b>455,558</b>	<b>406,109</b>				
Total as at June 30, 2018						315,077	523,694	452,453				

- 5.2 These include 100,000 shares having market value of Rs.14.756 million of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan Limited as on 31 March 2019.
- 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.

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

	<b>31 March 2019 (Un-audited)</b>	<b>30 June 2018 (Audited)</b>
<b>(Rupees in '000)</b>		
Balance as of 1 July 2018	<b>137,376</b>	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	<b>137,376</b>	<b>137,376</b>

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

	<b>31 March 2019 (Un-audited)</b>	<b>30 June 2018 (Audited)</b>
<b>(Rupees in '000)</b>		
Dividend receivables	<b>4,338</b>	743
Profit receivable on bank balances	<b>56</b>	58
Advance Tax	<b>24</b>	24
Prepaid Listing Fee	<b>7</b>	-
	<b>4,425</b>	<b>825</b>

### 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).

	<b>31 March 2019 (Un-audited)</b>	<b>30 June 2018 (Audited)</b>
<b>(Rupees in '000)</b>		
Balance at beginning of the period / year	<b>292</b>	329
Remuneration for the period / year	<b>2,455</b>	3,558
Paid during the period / year	<b>(2,482)</b>	(3,595)
Balance at end of the period / year	<b>265</b>	<b>292</b>

### 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.

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### 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.

	<b>31 March 2019 (Un-audited) Note</b>	<b>30 June 2018 (Audited)</b>
	<b>(Rupees in '000)</b>	
Balance at beginning of the period / year	77	87
Remuneration for the period / year	655	949
Paid during the period / year	(662)	(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.

Balance at beginning of the period / year	451	491
Remuneration for the period / year	311	451
Paid during the period / year	(451)	(491)
Balance at end of the period / year	<u>311</u>	<u>451</u>

### 10 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		406	212
Sindh Sales Tax on Management remuneration	10.1	35	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
Other Liabilities		326	261
		<u>4,350</u>	<u>4,197</u>

**10.1** During the period, an amount of Rs. 0.319 million was charged on account of sales tax on Management fee levied through Sindh Sales Tax on Services Act, 2011 and 0.085 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 0.035 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 (2018: 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 March 31, 2019 would have been higher by Re 0.0417 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 0.327 million is charged and Rs 0.035 million payable is related to reimburseable expnese 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 March 31, 2019 would have been higher by Re 0.0149 per unit (June 30, 2018: Re 0.07 per unit).

### 11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2019 is 1.54% which includes 0.22% 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).

	<b>31 March 2019 (Un-audited)</b>	<b>30 June 2018 (Audited)</b>
	<b>(Numbers)</b>	
<b>13 NUMBER OF UNITS IN ISSUE</b>		
Total outstanding at beginning of the period / year	<b>31,981,730</b>	31,899,031
Issued during the period / year	<b>1,260,430</b>	1,005,211
Redemptions during the period / year	<b>(683,891)</b>	(922,512)
Total units in issue at the end of the period / year	<b><u>32,558,269</u></b>	<u>31,981,730</u>

### 14 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 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.

### 15 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 March 2019. 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.

## AKD Index Tracker Fund - Quarterly Report March 2019

	For the six months period ended	
15.1 Details of transactions with connected persons / related parties during the period	31 March 2019 (Un-audited)	31 March 2018 (Un-audited)
	(Rupees in '000)	
<b>AKD Investment Management Limited - Management Company of the Fund</b>		
Remuneration for the period	2,455	2,655
Sindh Sales tax on Management Company's Remuneration*	319	345
Allocated expenses by the management company	327	354
Sales Load	3	11
*Sales tax and FED is paid / payable to the management company for onwards payment to the Government.		
<b>National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)</b>		
Units issued : 926,031 (2017: Nil)	12,881	-
Dividend paid	14,721	-
<b>AKD Investment Management Limited Staff Provident Fund</b>		
Units issued : 177,910 (2018: 683,057)	2,261	10,036
Redemption of units : 374,985 (2018: 661,740)	5,009	10,406
Dividend paid	161	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee Fee	655	708
Central Depository Service charges	5	8
Sindh Sales Tax on Trustee Fee and CDS Charges	86	93

	31 March 2019 (Un-audited)	30 June 2018 (Audited)
	(Rupees in '000)	
<b>15.2 Balances outstanding at the period end</b>		
<b>AKD Investment Management Limited - Management Company of the Fund</b>		
Remuneration payable	265	292
Allocated expenses by management company payable	35	120
Payable to Management Company - Others	1	1
Sindh sales tax payable on Management Company's remuneration*	35	38
Federal Excise Duty payable on Management Company's remuneration*	1,357	1,357
Sales Load payable	1	1

## AKD Index Tracker Fund - Quarterly Report March 2019

	<b>31 March 2019 (Un-audited)</b>	<b>30 June 2018 (Audited)</b>
<b>(Rupees in '000)</b>		
<b>Payable to Central Depository Company of Pakistan - Trustee</b>		
Remuneration payable	70	77
Security deposit	100	100
CDS charges payable	1	3
Sales tax CDS charges & Trustee Fee payable	9	10

\*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 2018: 390) units	5	6
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### **AKD Investment Management Limited**

#### **Staff Provident Fund**

Number of units outstanding : 119,632 (30 June 2018: 316,708)

	1,519	4,566
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### **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  
91.83% 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))

	379,600	417,716
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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:

## AKD Index Tracker Fund - Quarterly Report March 2019

	----- As at March 31, 2019 -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>ASSETS</b>				
Investment in securities - at fair value through profit or loss'-net				
- Listed Equity securities	406,109	-	-	406,109
	406,109	-	-	406,109
	----- As at June 30, 2018-----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>ASSETS</b>				
Investment in securities - Available for sale				
- Listed Equity securities	452,453	-	-	452,453
	452,453	-	-	452,453

### 17. GENERAL

17.1 This condensed interim financial information is unaudited.

17.2 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.

### 18. DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorised for issue on April 27, 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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Main Mansehra Road, Abbottabad.  
Contact # 099-2381431-2

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