

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

# 2019



# annual report



**Partner with AKD  
Profit from the  
Experience**



**AKD Investment  
Management Ltd.**

# TABLE OF CONTENTS

03	Corporate Information
04	Vision
05	Mission Statement
06	Key Management Profile
08	Report of the Directors of the Management Company
13	AKD Opportunity Fund - Financial Statements 2019
56	AKD Index Tracker Fund - Financial Statements 2019
101	AKD Cash Fund - Financial Statements 2019
139	AKD Aggressive Income Fund - Financial Statements 2019
185	AKD Islamic Income Fund - Financial Statements 2019
230	AKD Islamic Stock Fund - Financial Statements 2019
278	Report of the Directors of the Management Company (Urdu)

# CORPORATE INFORMATION



**Abdul Karim**  
Chairman



**Imran Motiwala**  
Chief Executive Officer



**Hasan Ahmed**  
Director



**Anum Dhedhi**  
Director



**Ali Wahab Siddiqui**  
Director



**Aysha Ahmed**  
Director



**Saim Mustafa Zuberi**  
Director

## **MANAGEMENT COMPANY**

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

## **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

### **Chairman**

Mr. Abdul Karim

### **Director & Chief Executive Officer**

Mr. Imran Motiwala

### **Directors**

Ms. Anum Dhedhi

Ms. Aysha Ahmed

Mr. Ali Wahab Siddiqui

Mr. Hasan Ahmed

Mr. Saim Mustafa Zuberi

## **CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY**

Mr. Muhammad Munir Abdullah

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

Mr. Muhammad Yaqoob Sultan, CFA

## **HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY**

Mr. Rashid Ahmed

## **AUDIT COMMITTEE**

Mr. Ali Wahab Siddiqui (Chairman)

Mr. Hasan Ahmed (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

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

Ms. Aysha Ahmed (Chairman)

Mr. Abdul Karim (Member)

Mr. Imran Motiwala (Member)

Ms. Anum Dhedhi (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

## **RATING**

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

INFORMATION

# *Vision*



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

# Mission Statement



*AKD Funds shall continuously strive to:*

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

# Key Management Profile

## Imran Motiwala - Chief Executive Officer

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

## Anum Dhedhi - Chief Investment Officer & Executive Director

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

## Nadeem Saulat Siddiqui - Director Corporate Sales

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

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

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

## Muhammad Munir Abdullah - Chief Financial Officer

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

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

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

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

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

# Report of the Directors of the Management Company

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF) and AKD Islamic Stock Fund (AKDISSF) is pleased to present its annual report along with the Funds' Audited Financial Statements for the year ended June 30, 2019.

## FUNDS' FINANCIAL PERFORMANCE

### AKD Opportunity Fund (AKDOF)

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

### AKD Index Tracker Fund (AKDITF)

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

### AKD Cash Fund (AKDCF)

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

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

### AKD Aggressive Income Fund (AKDAIF)

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

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

### AKD Islamic Income Fund (AKDISIF)

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

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

### AKD Islamic Stock Fund (AKDISSF)

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

## MACRO PERSPECTIVE

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

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

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

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

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

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

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

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

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

## **EQUITY MARKET REVIEW**

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

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

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

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

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

## MONEY MARKET REVIEW

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

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

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

## STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

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

- (j) There have been no trades in the units of the Funds carried out by the Directors, CEO, CFO, CIO, COO, Company Secretary and their spouses and minor children of the Management Company other than as disclosed below and in the note to the financial statements:

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
<b>AKD Opportunity Fund</b>				
1	Mr. Abdul Karim	Director & Chairman	-	593.956
2	Mr. Imran Motiwala	CEO	53,633.96	23,455.45
3	Ms. Sehr Imran Motiwala	Spouse - CEO	1,719,763.92	1,608,525.34
4	Mr. Muhammad Yaqoob	COO & Company Secretary	7,568.24	13,240.96
5	Ms. Maliha	Spouse - COO & Company Secretary	1,615.30	-

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

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

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

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

#### RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of AM3++ (AM three Plus Plus) to AKD Investment Management Limited (AKDIML) on February 08, 2019.

#### RATING OF THE FUNDS

##### AKD OPPORTUNITY FUND

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

##### AKD CASH FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of 'AA+(f)' (Double A plus; fund stability rating) to AKD Cash Fund (AKDCF) on April 30, 2019.

##### AKD AGGRESSIVE INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of 'A-(f)' (A Negative; fund stability rating) to AKD Aggressive Income Fund (AKDAIF) on April 30, 2019.

##### GOLDEN ARROW SELECTED STOCKS FUND LIMITED

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

## AKD ISLAMIC INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of 'A+(f)' (A plus; fund stability rating ) to AKD Islamic Income Fund (AKDIIF) on April 30, 2019.

### HOLDING COMPANY

Aqeel Karim Dhedhi Securities (Private) Limited is the holding company of AKD Investment Management Limited and holds 99.97% of the outstanding ordinary shares of the company.

### APPOINTMENT OF AUDITORS

The Board re-appointed M/s A.F. Ferguson & Co. Chartered Accountants as the statutory auditors for AKD Aggressive Income Fund (AKDAIF) and AKD Cash Fund (AKDCF) for the year 2019-2020 as recommended by the Audit Committee.

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

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

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

### ACKNOWLEDGEMENTS

The Directors would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan, the Ministry of Finance, the state Bank of Pakistan and the Management of the Pakistan Stock Exchange for their continued support and cooperation. The Board also appreciates the devoted performance of the staff and officers of the AKD Investment Management Limited. The Board will also like to thank the investors for their confidence in the Company.

### FUTURE OUTLOOK

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

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

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

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

For and on behalf of the Board

**Imran Motiwala**  
Chief Executive Officer

**Abdul Karim Memon**  
Chairman

Karachi: September 30, 2019

# AKD INDEX TRACKER FUND

## Financial Statements - 2019

### Contents

→	57	→	Fund Information
→	58	→	Fund Manager's Report
→	63	→	Details of Pattern of Holding (Units)
→	64	→	Trustee Report to the Unit Holders
→	65	→	Independent Auditors' Report to the Unit Holders
→	68	→	Statement of Assets and Liabilities
→	69	→	Income Statement
→	70	→	Statement of Comprehensive Income
→	71	→	Statement of Movement in Unit Holders' Fund
→	72	→	Cash Flow Statement
→	73	→	Notes to the Financial Statements
→	100	→	Proxy Details Issued

# AKD Index Tracker Fund



## MANAGEMENT COMPANY

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

## TRUSTEE

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

## BANKERS

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

## AUDITORS

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

## LEGAL ADVISER

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

## REGISTRAR

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

## DISTRIBUTORS

AKD Investment Management Limited  
AKD Securities Limited  
BMA Capital Management Limited  
First Street Capital (Pvt.) Limited  
IGI Investment Bank Limited  
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.

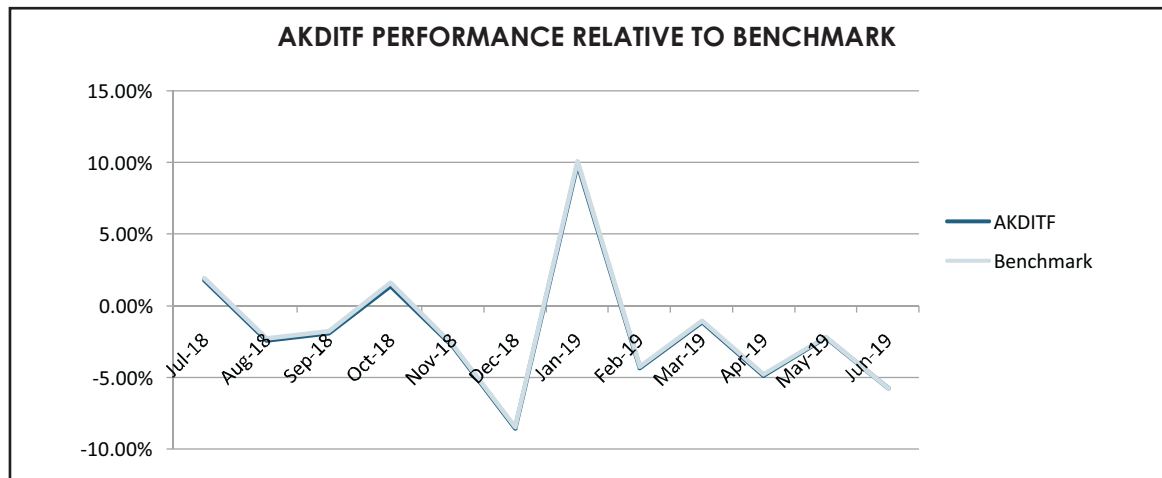
**iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:**

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

**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	Apr-19	May-19	Jun-19
<b>AKDITF</b>	1.80%	-2.40%	-1.90%	1.39%	-2.82%	-8.54%	9.88%	-4.34%	-1.13%	-4.88%	-2.25%	-5.75%
<b>Benchmark</b>	1.91%	-2.27%	-1.78%	1.59%	-2.77%	-8.47%	10.07%	-4.28%	-1.04%	-4.83%	-2.20%	-5.76%

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

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

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

Asset Allocation (% of Total Asset)	30-Jun-19	31-Mar-19
Equities	96.31%	96.21%
Cash	2.80%	2.12%
Other Assets	0.89%	1.67%

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

FY19 Return	-20.01%
Benchmark	-19.11%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
30-Jun-19	31-Mar-19		30-Jun-19	31-Mar-19
(Rupees In "000")			Rs.	Rs.
370,790	413,366	-10.30%	11.13	12.70

- 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 adopted stringent measures to preserve the depleting FX reserves by reducing the imports to stabilize the Current Account Deficit (CAD) in FY19.

However, the dampening GDP growth prospect (3.3% GDP growth rate forecasted by SBP for FY19 as compared to 5.5% in the corresponding period), worsening fiscal deficit, scrutiny from global money-laundering watchdog (FATF) over regulatory concerns, and delays in finalizing IMF bailout program kept the economy under pressure.

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

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

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

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

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

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

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

## EQUITY MARKET REVIEW

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

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

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

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

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

## FUTURE OUTLOOK

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

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

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

**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	630
10,000 - 49,999	27
50,000 - 99,999	5
100,000 - 499,999	5
500,000 and above	1
	668

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

Investments are subject to credit and market risk.

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

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

## DETAILS OF PATTERN OF HOLDING (UNITS)

As At June 30, 2019

	No. of Unitholders	Units Held	% of Total
Associated Companies	-	-	-
Directors and CEO			
Individuals	659	2,403,364	7.21%
Insurance Companies	-	-	-
Banks/DFIs	-	-	-
Retirement funds	2	30,358,551	91.10%
Public Limited Companies	1	17,740	0.05%
Others	6	546,382	1.64%
	<b>668</b>	<b>33,326,037</b>	<b>100.00%</b>

## TRUSTEE REPORT TO THE UNIT HOLDERS

### AKD INDEX TRACKER FUND

#### **Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Index Tracker Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Karachi: September 30, 2019

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

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying financial statements of AKD Index Tracker Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2019, and the related income statement, statement of comprehensive income, statement of movement in unit holders' funds and cash flow statement for the year then ended and notes to and forming part of the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance and its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the Key Audit Matters:

Key Audit Matter	How the matter was addressed in our audit
<p><b>Net Asset Value</b></p> <p>(Refer notes 4 and 5 to the financial statements)</p> <p>The investments and balances with banks constitute the most significant component of the net assets value. The investments of the Fund as at June 30, 2019 amounted to Rs.365.421 million and balances with banks aggregated to Rs.10.605 million.</p> <p>The proper valuation of investments and balances with bank for the determination of NAV of the Fund as at June 30, 2019 was considered a significant area and therefore we considered this as a key audit matter.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>● Tested the design and operating effectiveness of the key controls for valuation of investments; and</li> <li>● Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.</li> </ul>

## Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirement**

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

The engagement partner on the audit resulting in this independent auditor's report is **Ahsan Elahi Vohra**.

Karachi: September 30, 2019

**Naveed Zafar Ashfaq Jaffery & Co.**  
Chartered Accountants

## STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2019

	Note	2019 (Rupees in '000)	2018
<b>Assets</b>			
Bank balances	4	10,605	13,965
Investments	5	365,421	452,453
Dividend and other receivables	6	777	825
Security deposits	7	2,600	2,600
<b>Total Assets</b>		<b>379,403</b>	<b>469,843</b>
<b>Liabilities</b>			
Remuneration payable to the Management Company	8	235	292
Remuneration payable to the Trustee	9	62	77
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	402	451
Accrued expenses and other liabilities	11	4,186	4,197
Unclaimed dividend		3,728	3,728
<b>Total Liabilities</b>		<b>8,613</b>	<b>8,745</b>
<b>Contingencies and Commitments</b>	20	-	-
<b>Net Assets</b>		<b>370,790</b>	<b>461,098</b>
<b>Unit holders' fund</b> (as per statement attached)		<b>370,790</b>	<b>461,098</b>
<b>(Number of Units)</b>			
<b>Number of units in issue</b>	13	<b>33,326,037</b>	<b>31,981,730</b>
<b>(Rupees)</b>			
<b>Net assets value per unit (face value per unit Rs. 10/-)</b>		<b>11.13</b>	<b>14.42</b>

The annexed notes from 1 to 22 form an integral part of these financial statements.

For AKD Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Imran Motiwala  
Chief Executive Officer

\_\_\_\_\_  
Muhammad Munir Abdullah  
Chief Financial Officer

\_\_\_\_\_  
Anum Dhedhi  
Director

## INCOME STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 (Rupees in '000)	2018
<b>Investment income</b>			
(Loss) / Gain on sale of investments - net		(4,497)	14,227
Dividend income		21,865	23,357
Profit on bank balances		991	655
Unrealized diminution on remeasurement of investment classified as 'at Fair Value through profit or loss'-net		(103,249)	-
		<b>(84,890)</b>	38,239
<b>Expenses</b>			
Remuneration to the Management Company	8	3,177	3,558
Remuneration to the Trustee	9	847	949
Annual fee to the Securities and Exchange Commission of Pakistan	10	402	451
Bank charges		13	21
Auditors' remuneration	14	267	329
Other expenses	15	1,749	2,456
		<b>6,455</b>	7,764
<b>Net (loss) / income from operating activities</b>		<b>(91,345)</b>	30,475
<b>Net (loss) / income for the year before taxation</b>		<b>(91,345)</b>	30,475
<b>Taxation</b>	16	-	-
<b>Net (loss) / income for the year after taxation</b>		<b>(91,345)</b>	30,475
<b>Allocation of net (loss) / income for the period:</b>			
Net (Loss)/ income for the year after taxation		(91,345)	30,475
Income already paid on units redeemed		-	(199)
<b>Accounting income available for distribution</b>		<b>(91,345)</b>	30,276
-Relating to Capital gains		-	14,227
-Excluding Capital gains		-	16,049
		-	30,276

The annexed notes from 1 to 22 form an integral part of these financial statements.

For AKD Investment Management Limited  
(Management Company)

Imran Motiwala  
Chief Executive Officer

Muhammad Munir Abdullah  
Chief Financial Officer

Anum Dhedhi  
Director

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

		2019 (Rupees in '000)	2018
Net (loss)/income for the year after taxation	<b>Note</b>	<b>(91,345)</b>	30,475
<b>Other comprehensive income for the year</b>			
<i>Items that will be reclassified subsequently to income statement</i>			
Unrealized diminution / (appreciation) in the fair value of investments 'at fair value through profit or loss - held for trading' - net	<b>5.4</b>	-	(71,241)
Diminution in Fair value of 'available for sale' investments transferred to profit and loss account on sale- net	<b>5.4</b>	-	(18,608)
<b>Total comprehensive (loss) for the year</b>		<b>(91,345)</b>	<b>(59,374)</b>

The annexed notes from 1 to 22 form an integral part of these financial statements.

For AKD Investment Management Limited  
(Management Company)

\_\_\_\_\_  
**Imran Motiwala**  
Chief Executive Officer

\_\_\_\_\_  
**Muhammad Munir Abdullah**  
Chief Financial Officer

\_\_\_\_\_  
**Anum Dhedhi**  
Director



## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the year after taxation	(91,345)	30,475
<b>Adjustments for non cash items:</b>		
Unrealized diminution / (appreciation) in the fair value of investments 'at fair value through profit or loss - held for trading' - net	103,249	-
	<b>11,904</b>	<b>30,475</b>
<b>(Increase) / decrease in assets</b>		
Investments	(16,217)	(28,222)
Dividend and other receivables	48	5,619
	<b>(16,169)</b>	<b>(22,603)</b>
<b>(Decrease) / Increase in liabilities</b>		
Remuneration payable to the Management Company	(57)	(37)
Remuneration payable to the Trustee	(15)	(10)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(49)	(40)
Payable against redemption of units	-	(273)
Accrued expenses and other liabilities	(11)	(3,194)
Unclaimed dividend	-	3,106
	<b>(132)</b>	<b>(448)</b>
<b>Net cash (used in)/ generated from operating activities</b>	<b>(4,397)</b>	<b>7,424</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received on issuance of units	26,226	14,959
Cash paid on redemption of units	(8,939)	(14,438)
Distribution to unit holders' in cash	(16,250)	-
<b>Net cash flows generated from financing activities</b>	<b>1,037</b>	<b>521</b>
<b>Net cash (used in)/ generated from cash and cash equivalents during the year</b>	<b>(3,360)</b>	<b>7,945</b>
Cash and cash equivalents at beginning of the year	13,965	6,020
<b>Cash and cash equivalents at end of the year</b>	<b>10,605</b>	<b>13,965</b>

The annexed notes from 1 to 22 form an integral part of these financial statements.

For AKD Investment Management Limited  
(Management Company)

Imran Motiwala  
Chief Executive Officer

Muhammad Munir Abdullah  
Chief Financial Officer

Anum Dhedhi  
Director

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2019

#### 1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

The Fund is 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 specialised nature of the Fund, performance ranking has not been taken, as the comparable benchmark is not available.

#### 2. BASIS OF PRESENTATION

##### 2.1 Statement of compliance

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

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

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

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

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of the ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income (FVOCI) or (c) at fair value through profit or loss (FVTPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment being managed as a group of assets and hence has classified them as FVPL and other financial assets which were held for collection continue to be measured at amortised cost. The Funds investment in Term Deposit Receipts and Commercial Papers which were previously classified as "loans and receivables" and carried at amortised cost under IAS 39 and the investment in Sukuks certificate which were previously classified as available for sale would now be classified as 'at fair value through profit or loss' and carried at fair value. However the investment in Sukuk Certificates is fully provided therefore this change will not have any impact.

The Fund has adopted modified retrospective restatement approach for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current year.

The effect of this change in accounting policy is as follows:

	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
Financial assets					
From available for sale (IAS - 39)	137,376	137,376	-	137,376	137,376
	<u>137,376</u>	<u>137,376</u>	<u>-</u>	<u>137,376</u>	<u>137,376</u>

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.

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

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

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

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

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

### 2.4 Critical accounting estimates and judgments

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of investments (note 3.2.1 and 5.1, 5.2 and 5.3)
- Impairment of financial assets (note 3.2.2)
- Taxation (note 3.6 and 16)

### 2.5 Accounting convention

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

### 2.6 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except for the change in accounting policies as explained in note 2.2 above.

### 3.1 Cash and cash equivalents

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

### 3.2 Financial assets

#### 3.2.1 Classification and subsequent measurement

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

#### 3.2.2 Impairment

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

#### 3.2.3 Derivatives

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

#### 3.2.4 Regular way contracts

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

#### 3.2.5 Initial recognition and measurement

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

#### 3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

### 3.3 Financial liabilities

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

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

### 3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is a intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

### 3.5 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 3.6 Taxation

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 3.7 Dividend distribution and appropriations

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

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

### 3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any duties, taxes, and charges on redemption, if applicable.

### 3.9 Distributions to unit holders

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

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

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

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### 3.12 Revenue recognition

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

#### Expenses

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

### 3.13 Earnings per unit

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

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

## 4 BANK BALANCES

		2019	2018
		(Rupees in '000)	
Profit and loss sharing accounts	4.1	10,112	13,446
Current accounts		493	519
		<u>10,605</u>	<u>13,965</u>

- 4.1 These represents profit and loss sharing accounts maintained with various banks carrying profit at the rate ranging from 10.25% to 10.50% (30 June 2018: ranging from 4.75% to 6.0%) per annum.

## 5 INVESTMENTS

		2019	2018
		(Rupees in '000)	
<i>Investments in listed equity securities</i>			
classified as 'at fair value through profit or loss-net'	5.1	<u>365,421</u>	-
Classified as Available for Sale	5.1	<u>-</u>	<u>452,453</u>

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

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2018	Acquired during the year	Bonus / right shares received / Purchased during the year including the splitting of share	Disposed during the year	Holding at end of the year 30 June 2019	Cost as of the year ended 30 June 2019	Carrying value (before revaluation as of the year ended 30 June 2019)	Market value as of 30 June 2019	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000) -----			----- Percentage -----		
<b>AUTOMOBILE ASSEMBLER</b>											
Atlas Honda Limited	2,100	700	420	-	3,220	1,286	1,292	1,036	0.28	0.28	-
Honda Atlas Cars (Pakistan) Limited	6,100	-	-	-	6,100	1,399	1,930	905	0.24	0.25	-
Indus Motor Company Limited	2,969	100	-	-	3,069	869	4,333	3,695	1.00	1.01	-
Millat Tractors Limited	5,043	200	-	100	5,143	2,827	6,040	4,435	1.20	1.21	0.01
Pak Suzuki Motor Company Limited	4,720	-	-	-	4,720	385	1,857	1,081	0.29	0.30	0.01
						<b>6,766</b>	<b>15,452</b>	<b>11,152</b>			
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>											
Agriauto Industries Limited	4,000	-	-	-	4,000	1,296	1,180	800	0.22	0.22	0.01
Thal Limited (Face Value Rs.5/ each)	7,171	-	-	-	7,171	924	3,424	2,611	0.70	0.71	0.01
						<b>2,220</b>	<b>4,604</b>	<b>3,411</b>			
<b>CABLE &amp; ELECTRICAL GOODS</b>											
Pak Elektron Limited	53,775	4,500	-	-	58,275	3,289	1,998	1,167	0.31	0.32	0.01
						<b>3,289</b>	<b>1,998</b>	<b>1,167</b>			
<b>CEMENT</b>											
Bestway Cement Limited	6,200	-	-	-	6,200	1,659	812	639	0.17	0.17	-
Cherat Cement Company Limited	23,096	-	-	1,000	22,096	1,534	2,148	684	0.18	0.19	0.01
D.G. Khan Cement Company Limited	48,687	-	-	-	48,687	2,888	5,574	2,753	0.74	0.75	0.01
Fauji Cement Company Limited (note 5.2)	167,850	14,000	-	2,000	179,850	2,502	4,090	2,829	0.76	0.77	0.01
Kohat Cement Company Limited	9,500	3,500	2,850	2,000	13,850	1,266	1,268	728	0.20	0.20	0.01
Lucky Cement Limited (note 5.2)	28,933	1,500	-	500	29,933	7,065	15,166	11,389	3.07	3.12	0.01
Maple Leaf Cement Factory Limited	60,512	-	-	-	60,512	3,175	3,070	1,446	0.39	0.40	0.01
Pioneer Cement Limited	26,100	-	-	-	26,100	1,765	1,223	591	0.16	0.16	0.01
						<b>21,854</b>	<b>33,351</b>	<b>21,059</b>			
<b>CHEMICAL</b>											
Archroma Pakistan Limited	1,950	-	-	-	1,950	1,141	985	927	0.25	0.25	0.01
Colgate Palmolive(Pakistan) Limited	1,016	100	203	-	1,319	543	3,418	2,737	0.74	0.75	-
Engro Polymer & Chemicals Limited	50,000	68,497	-	48,000	70,497	2,370	2,219	1,901	0.51	0.52	0.01
Engro Polymer & Chemicals Limited - Letter of Right	18,497	-	-	18,497	-	-	-	-	-	-	-
ICI Pakistan Limited	3,038	-	-	-	3,038	619	2,435	1,618	0.44	0.44	-
Lotte Chemical Pakistan Limited	-	88,000	-	-	88,000	1,287	1,287	1,342	0.36	0.37	0.01
						<b>5,960</b>	<b>10,344</b>	<b>8,525</b>			
<b>CLOSE - END MUTUAL FUND</b>											
HBL Growth Fund- Class A	-	57,512	-	-	57,512	995	995	594	0.16	0.16	-
PICIC Growth Fund	56,012	-	-	56,012	-	-	-	-	-	-	-
						<b>995</b>	<b>995</b>	<b>594</b>			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2018	Acquired during the year	Bonus / right shares received / Purchased during the year including the splitting of share	Disposed during the year	Holding at end of the year 30 June 2019	Cost as of the year ended 30 June 2019	Carrying value (before revaluation as of the year ended 30 June 2019)	Market value as of 30 June 2019	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000) -----			----- Percentage -----		
<b>COMMERCIAL BANKS</b>											
Allied Bank Limited	38,162	1,800	-	-	39,962	2,524	4,122	4,197	1.13	1.15	-
Askari Bank Limited	80,813	15,500	-	-	96,313	1,473	2,066	1,821	0.49	0.50	0.01
Bank AL Habib Limited (note 5.2)	160,332	12,500	-	5,000	167,832	5,600	13,243	13,155	3.55	3.60	0.02
Bank Alfalah Limited	125,305	26,000	12,530	1,500	162,335	3,207	7,675	7,076	1.91	1.94	0.01
Faysal Bank Limited (note 5.2)	100,680	6,500	-	-	107,180	1,006	2,754	2,307	0.62	0.63	0.01
Habib Bank Limited (note 5.2)	164,083	14,500	-	8,500	170,083	31,833	28,007	19,264	5.20	5.27	0.01
Habib Metropolitan Bank Limited	104,568	5,000	-	2,000	107,568	2,342	4,664	3,881	1.05	1.06	0.01
MCB Bank Limited (note 5.2)	92,228	6,500	-	2,000	96,728	16,134	19,074	16,874	4.55	4.62	0.01
Meezan Bank Limited (note 5.2)	34,753	28,500	11,277	-	74,530	4,783	5,411	6,496	1.75	1.78	0.01
National Bank of Pakistan	113,238	10,000	-	-	123,238	4,839	5,732	4,148	1.12	1.14	0.01
Standard Chartered Bank (Pak) Ltd	40,848	5,000	-	-	45,848	438	1,091	1,028	0.28	0.28	-
The Bank of Punjab (note 5.2)	240,659	22,000	-	-	262,659	2,631	3,166	2,403	0.65	0.66	0.01
United Bank Limited (note 5.2)	108,929	6,000	-	1,100	113,829	16,990	19,193	16,776	4.52	4.59	0.01
						<b>93,800</b>	<b>116,198</b>	<b>99,426</b>			
<b>ENGINEERING</b>											
Aisha Steel Mills Limited	-	60,000	-	60,000	-	-	-	-	-	-	-
Amreli Steels Limited	16,000	-	-	16,000	-	-	-	-	-	-	-
International Industries Limited	12,000	-	-	-	12,000	3,181	2,787	925	0.25	0.25	0.01
International Steels Limited	39,500	-	-	4,500	35,000	841	3,560	1,390	0.37	0.38	0.01
Crescent Steel & Allied Products Limited	7,900	-	-	7,900	-	-	-	-	-	-	-
						<b>4,022</b>	<b>6,347</b>	<b>2,315</b>			
<b>FERTILIZER</b>											
Engro Corporation Limited (note 5.2)	64,074	7,000	6,557	4,000	73,631	12,313	21,055	19,556	5.27	5.35	0.01
Engro Fertilizer Limited (note 5.2)	133,275	11,000	-	4,500	139,775	9,967	10,483	8,941	2.41	2.45	0.01
Fatima Fertilizer Company Limited	71,734	-	-	2,000	69,734	1,799	2,259	2,082	0.56	0.57	-
Fauji Fertilizer Bin Qasim Limited	72,451	-	-	-	72,451	2,465	2,797	1,321	0.36	0.36	0.01
Fauji Fertilizer Company Limited (note 5.2)	156,050	52,000	-	45,500	162,550	15,467	16,292	14,174	3.82	3.88	0.01
						<b>42,011</b>	<b>52,886</b>	<b>46,074</b>			
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>											
Engro Foods Limited	16,674	-	-	-	16,674	1,597	1,485	973	0.26	0.27	-
Fauji Foods Limited	-	20,000	-	-	20,000	498	498	264	0.07	0.07	-
Murree Brewery Company Limited	2,317	50	463	-	2,830	355	1,712	2,161	0.58	0.59	0.01
National Foods Limited	5,650	1,000	1,130	-	7,780	1,364	1,983	1,433	0.39	0.39	0.01
Nestle Pakistan Limited	1,469	580	-	980	1,069	9,257	10,075	7,127	1.92	1.95	-
						<b>13,071</b>	<b>15,753</b>	<b>11,958</b>			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2018	Acquired during the year	Bonus / right shares received / Purchased during the year including the splitting of share	Disposed during the year	Holding at end of the year 30 June 2019	Cost as of the year ended 30 June 2019	Carrying value (before revaluation as of the year ended 30 June 2019)	Market value as of 30 June 2019	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
<b>GLASS &amp; CERAMICS</b>	----- (Number of Shares) -----					----- (Rupees in '000) -----			----- Percentage -----		
Ghani Glass Limited	23,233	19,269	-	6,000	36,502	2,007	1,785	1,604	0.43	0.44	0.01
Ghani Glass Mills Limited-Letter Of Rights	-	-	7,269	7,269	-	-	-	-	-	-	-
						<b>2,007</b>	<b>1,785</b>	<b>1,604</b>			
<b>INSURANCE</b>											
Adamjee Insurance Company Limited	62,240	-	-	6,000	56,240	1,741	2,741	1,971	0.53	0.54	0.02
EFU General Insurance Limited	15,237	-	-	-	15,237	745	2,281	1,529	0.41	0.42	0.01
IGI Holdings Limited	6,797	-	1,019	-	7,816	457	1,964	1,188	0.32	0.33	0.01
Jubilee Life Insurance Company Limited	2,447	1,100	-	-	3,547	1,732	2,391	796	0.21	0.22	-
						<b>4,675</b>	<b>9,377</b>	<b>5,484</b>			
<b>INV. BANKS / INV. COS. / SECURITIES COS.</b>											
Dawood Hercules Corporation Limited	75,396	1,000	-	4,000	72,396	4,805	8,022	8,053	2.17	2.20	0.02
Jahangir Siddiqui & Company Limited	51,203	-	-	51,203	-	-	-	-	-	-	-
Pakistan Stock Exchange Limited	40,000	25,000	-	-	65,000	1,454	1,209	845	0.23	0.23	0.01
						<b>6,259</b>	<b>9,231</b>	<b>8,898</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	429	0.12	0.12	0.01
						<b>774</b>	<b>632</b>	<b>429</b>			
<b>LEATHER &amp; TANNERIES</b>											
Bata Pakistan Limited	377	-	-	377	-	-	-	-	-	-	-
Service Industries Limited	-	1,000	250	-	1,250	750	750	617	0.17	-	0.01
						<b>750</b>	<b>750</b>	<b>617</b>			
<b>MISCELLANEOUS</b>											
Pakistan Services Limited	5,650	-	-	100	5,550	1,716	5,467	5,661	1.53	1.55	0.02
Shifa International Hospitals Limited	5,454	500	-	-	5,954	1,034	1,583	1,309	0.35	0.36	0.01
						<b>2,750</b>	<b>7,050</b>	<b>6,970</b>			
<b>MODARABAS</b>											
First Habib Modaraba	4,500	10,000	-	-	14,500	154	153	136	0.04	0.04	0.01
						<b>154</b>	<b>153</b>	<b>136</b>			
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Limited	4,941	100	494	-	5,535	946	7,586	5,587	1.51	1.53	-
Oil & Gas Development Company Limited (note 5.2)	143,737	9,000	-	3,200	149,537	19,118	23,171	19,663	5.30	5.38	-
Pakistan Oilfields Limited (note 5.2)	23,979	2,000	4,955	600	30,334	9,231	16,823	12,312	3.32	3.37	0.01
Pakistan Petroleum Limited (note 5.2)	107,124	10,500	16,668	5,100	129,192	13,595	23,987	18,659	5.03	5.11	0.01
						<b>42,890</b>	<b>71,567</b>	<b>56,221</b>			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2018	Acquired during the year	Bonus / right shares received / Purchased during the year including the splitting of share	Disposed during the year	Holding at end of the year 30 June 2019	Cost as of the year ended 30 June 2019	Carrying value (before revaluation as of the year ended 30 June 2019)	Market value as of 30 June 2019	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000) -----			----- Percentage -----		
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Attock Petroleum Limited	4,450	400	890	100	5,640	1,670	2,779	1,627	0.44	0.45	0.01
Hascal Petroleum Limited	11,240	-	4,215	-	15,455	2,675	3,527	1,061	0.29	0.29	0.01
Pakistan State Oil Company Limited	32,553	1,500	6,610	500	40,163	6,405	10,675	6,813	1.84	1.86	0.01
Shell Pakistan Limited	4,751	-	-	-	4,751	469	1,502	867	0.23	0.24	-
Sui Northern Gas Pipelines Limited	64,670	-	-	-	64,670	4,311	6,481	4,494	1.21	1.23	0.01
Sui Southern Gas Company Limited (note 5.2)	66,828	18,500	-	-	85,328	1,676	2,564	1,765	0.48	0.48	0.01
						<b>17,206</b>	<b>27,528</b>	<b>16,627</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	1,830	0.49	0.50	0.01
						<b>1,367</b>	<b>2,982</b>	<b>1,830</b>			
<b>PHARMACEUTICALS</b>											
Abbot Laboratories (Pakistan) Limited	4,515	500	-	250	4,765	3,624	3,238	2,262	0.61	0.62	-
AGP Limited	-	22,500	-	-	22,500	1,804	1,804	1,542	0.42	0.42	0.01
Glaxo Smithkline Pakistan Limited	11,073	-	-	-	11,073	603	1,838	1,056	0.28	0.29	-
Glaxosmithkline Consumer Healthcare Pakistan Lim	-	3,000	-	-	3,000	926	926	579	0.16	0.16	-
The Searle Company Limited	16,517	5,000	2,477	2,000	21,994	4,255	6,264	3,223	0.87	0.88	0.01
						<b>11,212</b>	<b>14,070</b>	<b>8,662</b>			
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
The Hub Power Company Limited (note 5.2)	155,741	56,500	25,254	22,500	214,995	14,216	18,853	16,931	4.57	4.63	0.02
K-Electric Limited (Face value of Rs .35/- each) (note 5.2)	619,148	31,500	-	-	650,648	3,532	3,648	2,856	0.77	0.78	-
Kot Addu Power Company Limited	100,779	4,000	-	1,000	103,779	6,756	5,591	3,775	1.02	1.03	0.01
Nishat Chunian Power Limited	38,465	-	-	-	38,465	944	1,082	670	0.18	0.18	0.01
Nishat Power Limited	32,070	-	-	32,070	-	-	-	-	-	-	-
Saif Power Limited	39,500	6,500	-	-	46,000	1,281	1,171	863	0.23	0.24	0.01
						<b>26,729</b>	<b>30,345</b>	<b>25,095</b>			
<b>REAL ESTATE INVESTMENT TRUST</b>											
Dolmen City REIT	120,000	9,500	-	-	129,500	1,343	1,646	1,317	0.36	0.36	0.01
						<b>1,343</b>	<b>1,646</b>	<b>1,317</b>			
<b>REFINERY</b>											
Attock Refinery Limited	7,419	-	1,854	-	9,273	1,138	1,597	717	0.19	0.20	0.01
National Refinery Limited	5,493	-	-	-	5,493	1,317	2,433	623	0.17	0.17	0.01
BYCO Petroleum Limited	-	124,000	-	-	124,000	1,125	1,125	795	0.21	0.22	-
						<b>3,580</b>	<b>5,155</b>	<b>2,135</b>			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2018	Acquired during the year	Bonus / right shares received / Purchased during the year including the splitting of share	Disposed during the year	Holding at end of the year 30 June 2019	Cost as of the year ended 30 June 2019	Carrying value (before revaluation as of the year ended 30 June 2019)	Market value as of 30 June 2019	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000) -----			----- Percentage -----		
<b>SUGAR &amp; ALLIED INDUSTRIES</b>											
JDW Sugar Mills Limited	2,050	-	-	2,050	-	-	-	-	-	-	-
Shakarganj Limited	-	9,000	-	-	9,000	515	515	422	0.11	0.12	0.01
						<b>515</b>	<b>515</b>	<b>422</b>			
<b>SYNTHETICS AND RAYON</b>											
Ibrahim Fibres Limited	3,000	2,000	-	3,000	2,000	122	122	120	0.03	0.03	-
Gatron (Industries) Limited	-	1,000	-	1,000	-	-	-	-	0.00	0.00	-
						<b>122</b>	<b>122</b>	<b>120</b>			
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Hum Network Limited (Face value of Rs.1/ each)	134,600	-	-	134,600	-	-	-	-	-	-	-
Pakistan Telecommunication Company Ltd (note 5.2)	127,017	13,000	-	-	140,017	1,558	1,560	1,158	0.31	0.32	-
Systems Limited	13,000	-	1,300	-	14,300	1,246	1,316	1,372	0.37	0.38	0.01
TRG Pakistan Limited (note 5.2)	102,855	6,000	-	-	108,855	3,294	3,049	1,781	0.48	0.49	0.02
						<b>6,098</b>	<b>5,925</b>	<b>4,311</b>			
<b>TEXTILE COMPOSITE</b>											
Gul Ahmed Textile Mills Limited	-	24,000	-	-	24,000	1,292	1,292	1,131	0.31	0.31	0.01
Kohinoor Textile Mills Limited	49,695	-	-	-	49,695	1,657	2,733	1,245	0.34	0.34	0.02
Nishat (Chunian) Limited	23,830	-	-	-	23,830	809	1,131	835	0.23	0.23	0.01
Nishat Mills Limited	35,847	-	-	-	35,847	2,065	5,052	3,346	0.90	0.92	0.01
						<b>5,823</b>	<b>10,208</b>	<b>6,557</b>			
<b>TEXTILE SPINNING</b>											
Gadoon Textile Mills Limited	1,500	-	-	-	1,500	300	378	208	0.06	0.06	0.01
						<b>300</b>	<b>378</b>	<b>208</b>			
<b>TEXTILE WEAVING</b>											
Feroze 1888 Mills Limited	4,000	-	-	4,000	-	-	-	-	-	-	-
Shahtaj Textile Limited	-	500	-	74	426	41	41	41	0.01	0.01	-
						<b>41</b>	<b>41</b>	<b>41</b>			
<b>TOBACCO</b>											
Pakistan Tobacco Company Limited	2,740	160	-	-	2,900	772	6,510	7,252	1.96	1.98	-
Philip Morris (Pakistan) Limited	680	-	-	-	680	1,293	1,917	2,434	0.66	0.67	-
						<b>2,065</b>	<b>8,427</b>	<b>9,686</b>			
<b>TRANSPORT</b>											
Pakistan International Bulk Terminal Limited-Letter of Right	36,533	150,000	-	186,533	-	-	-	-	-	-	-
Pakistan International Bulk Terminal Limited (note 5.2)	180,902	227,033	-	177,000	230,935	2,885	2,420	1,949	0.53	0.53	0.01
Pakistan International Container Terminal Limited	3,600	-	-	3,600	-	-	-	-	-	-	-
						<b>2,885</b>	<b>2,420</b>	<b>1,949</b>			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2018	Acquired during the year	Bonus / right shares received / Purchased during the year including the splitting of share	Disposed during the year	Holding at end of the year 30 June 2019	Cost as of the year ended 30 June 2019	Carrying value (before revaluation as of the year ended 30 June 2019)	Market value as of 30 June 2019	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000) -----			----- Percentage -----		
<b>VANASPATI &amp; ALLIED INDUSTRIES</b>											
Unity Foods Limited	15,000	23,500	48,274	47,000	39,774	411	411	410	0.11	0.11	0.01
Unity Foods Limited - Letter of Right	-	15,000		15,000	-	-	-	-	-	-	-
						<b>411</b>	<b>411</b>	<b>410</b>			
<b>WOOLLEN</b>											
Bannu Woollen Mills Limited	500	-	-	-	500	26	24	11	-	-	0.01
						<b>26</b>	<b>24</b>	<b>11</b>			
<b>Total as at 30 June 2019</b>						<b>333,973</b>	<b>468,670</b>	<b>365,421</b>			
Total as at 30 June 2018						315,077	523,694	452,453			

- 5.2 These investments held by the Fund exceeded the maximum limit prescribed by the regulation 55(6) of the NBFC regulations. The said regulation state that the value of the security invested into shall not exceed the weight of the security in the index or its subset. Arrangements has made to adjust these investments with the weight prescribed in the NBFC regulations. However the financial impact is not material.
- 5.3 These include 100,000 shares having market value of Rs. 13.149 million of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan Limited as on 30 June 2019.

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

	Note	2019 (Rupees in '000)	2018
Balance as of 01 July		137,376	227,225
Unrealised (diminution) / appreciation in the value of investments during the year		-	(71,241)
Gain recognised in the income statement on sale - net		-	(18,608)
Balance as of 30 June, recognised directly into unit holders' fund (difference of column a and b in the above table)		<u>137,376</u>	<u>137,376</u>

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 2.2.

**6 DIVIDEND AND OTHER RECEIVABLES**

Dividend receivables	655	743
Profit receivable on bank balances	98	58
Others	24	24
	<u>777</u>	<u>825</u>

**7 SECURITY DEPOSITS**

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

**8 REMUNERATION TO THE MANAGEMENT COMPANY**

The Management Company has charged remuneration at the rate of 0.75% per annum of the average daily net assets. The remuneration is paid to the Management Company on a monthly basis in arrears.

	2019 (Rupees in '000)	2018
Balance at beginning of the year	292	329
Remuneration for the year	3,177	3,558
Paid during the year	(3,234)	(3,595)
Balance at end of the year	<u>235</u>	<u>292</u>

**9 REMUNERATION TO THE TRUSTEE**

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

**Net assets up to Rs. 1 billion**

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

**Net assets exceeding Rs. 1 billion**

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

	Note	2019 (Rupees in '000)	2018
Balance at beginning of the year		77	87
Remuneration for the year		847	949
Paid during the year		(862)	(959)
Balance at end of the year		<u>62</u>	<u>77</u>

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

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

	Note	2019 (Rupees in '000)	2018
Balance at beginning of the year		451	491
Remuneration for the year		402	451
Paid during the year		(451)	(491)
Balance at end of the year		<u>402</u>	<u>451</u>
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		266	212
Sales tax payable on Management Company's remuneration	11.1	31	38
Federal excise duty on management remuneration	11.2	1,357	1,357
Allocated expenses by the Management Company	11.3	31	120
Payable to management company against expenses		1	1
Provision against Sindh Workers' Welfare Fund	11.4	2,179	2,179
Sindh sales tax on trustee fees & CDS Charges		8	10
Withholding tax payable		2	19
Other liabilities		311	261
		<u>4,186</u>	<u>4,197</u>

**11.1** During the current year, an amount of Rs. 0.413 million (2018: 0.462) was charged on account of sales tax on Management fee levied through Sindh Sales Tax on Services Act, 2011 and 0.111 million (2018: 0.125 million) on trustee remuneration & CDS charges levied through Sindh Sales Tax on Finance Act 2015. As at year end, sales tax on Management Company remuneration of Rs. 0.03 million (2018: 0.04 million) and on trustee remuneration & CDS charges amounting 0.008 million (2018: 0.01 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.

**11.2** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2019 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 June 30, 2019 would have been higher by Re 0.041 per unit (2018: Re 0.042 per unit).

**11.3** Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

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

- 11.4** 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 financial statement of the Fund, the net asset value of the Fund as at June 30, 2019 would have been higher by Re 0.07 per unit (June 30, 2018: Re 0.042 per unit).

## 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 1.28% which includes 0.25% 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 2.50% prescribed under the NBFC Regulations.

<b>13</b>	<b>NUMBER OF UNITS IN ISSUE</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
			<b>(Numbers)</b>	
	Total outstanding at beginning of the year		<b>31,981,730</b>	31,899,031
	Issued during the year		<b>2,028,197</b>	1,005,211
	Redemptions during the year		<b>(683,890)</b>	(922,512)
	Total units in issue at the end of the year		<b>33,326,037</b>	31,981,730
	Face value of the unit is Rs. 10 each.			
<b>14</b>	<b>AUDITORS' REMUNERATION</b>		<b>2019</b>	<b>2018</b>
			<b>(Rupees in '000)</b>	
	Statutory audit		<b>175</b>	175
	Half-yearly review		<b>50</b>	50
	SST		<b>18</b>	18
	Out of pocket expenses		<b>24</b>	86
			<b>267</b>	329
<b>15</b>	<b>OTHER EXPENSES</b>			
	Printing and stationery		<b>85</b>	219
	National Clearing Company of Pakistan Limited charges		<b>370</b>	368
	Central Depository Company of Pakistan Limited charges		<b>8</b>	13
	Pakistan Stock Exchange listing fee		<b>27</b>	27
	Legal and professional charges		<b>188</b>	137
	Fees and subscription		<b>8</b>	7
	Sales tax on Management Company's remuneration	<b>11.1</b>	<b>413</b>	463
	Sales tax on trustee fees & CDS Charges		<b>111</b>	125
	Allocated Expenses by the management compar	<b>11.3</b>	<b>424</b>	474
	Sindh workers' welfare fund		<b>-</b>	623
	Security Transaction Cost		<b>115</b>	-
			<b>1,749</b>	2,456

## 16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute not less than 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been in these financial statements. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on Fund as per Section 4B of the Income Tax Ordinance, 2001.

## 17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include AKD Investment Management Limited (AKDIML), being the asset management company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited, AKD Securities Limited (holding company of the management company) being the related companies of the management company, Central Depository Company of Pakistan Limited being the trustee, associated companies of the Management Company / holding company of the management company and other associates, other collective investment schemes managed by the Management Company and directors and key management personnel of the Management Company and also includes entities holding 10% or more in the units of the Fund as at 30 June 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.

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

	2019	2018
	(Rupees in '000)	
<b>AKD Investment Management Limited - Management Company of the Fund</b>		
Remuneration for the period	3,177	3,558
Sindh Sales tax on Management Company's Remuneration*	413	463
Allocated expenses by the management company	424	474
Sales Load	4	11
* Sales tax and FED is paid / payable to the management company for onwards payment to the Government.		
<b>AKD Securities Limited - Brokerage House</b>		
Commission paid on purchase and sale of marketable securities	1	-
<b>National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)</b>		
Units issued : 926,031 (2018: 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	847	949
Central Depository Service charges	8	13
Sindh Sales Tax on Trustee Fee and CDS Charges	111	125

**17.2 Balances outstanding at the period / year end**
**2019**                      **2018**  
**(Rupees in '000)**
**AKD Investment Management Limited -  
Management Company of the Fund**

Remuneration payable	<b>235</b>	292
Allocated expenses by management company payable	<b>31</b>	120
Payable to Management Company - Others	<b>1</b>	1
Sindh sales tax payable on Management Company's remuneration*	<b>31</b>	38
Federal Excise Duty payable on Management Company's remuneration*	<b>1,357</b>	1,357
Sales Load payable	<b>1</b>	1
<b>Payable to Central Depository Company of Pakistan - Trustee</b>		
Remuneration payable	<b>62</b>	77
Security deposit	<b>100</b>	100
CDS charges payable	<b>1</b>	3
Sales tax CDS charges & Trustee Fee payable	<b>8</b>	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

	<b>4</b>	6
--	----------	---

**AKD Investment Management Limited**
**Staff Provident Fund**

Number of units outstanding : 459,875 (30 June 2018: 316,708)

	<b>5,117</b>	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  
89.72% 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))

	<b>332,656</b>	417,716
--	----------------	---------

**18 FINANCIAL RISK MANAGEMENT**
**Introduction and overview**

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

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

**Risk management framework**

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

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

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

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

## 18.1 Credit risk

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

### Management of credit risk

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

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

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

### Exposure to credit risk

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

	2019		2018	
	Balance as per the Statement of Asset and Liabilities	Maximum Exposure	Balance as per the Statement of Asset and Liabilities	Maximum Exposure
	(Rupees in '000)		(Rupees in '000)	
Bank balances (including profit receivable)	10,703	10,703	14,023	14,023
Investments	365,421	-	452,453	-
Dividend receivables	655	655	743	743
Security deposits	2,600	2,600	2,600	2,600
	<b>379,380</b>	<b>13,958</b>	<b>469,819</b>	<b>17,366</b>

Difference in balance as per the statement of assets and liabilities and maximum exposure in investments is due to the fact that investments in equity securities of Rs. 365.421 million (30 June 2018: Rs. 452.45 million) is not exposed to credit risk.

**Bank balances**

The Fund held cash and cash equivalents at 30 June 2019 with banks having following credit ratings:

Ratings	2019		2018	
	(Rupees)	(%)	(Rupees)	(%)
A1+	10,605	13,965	100	100
<b>Total</b>	<b>10,605</b>	<b>13,965</b>	<b>100</b>	<b>100</b>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS (as of 30 June 2019).

**Concentration of credit risk**

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

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

Note	2019		2018		
	(Rupees in '000)	(%)	(Rupees in '000)	(%)	
Commercial banks (including profit receivable)	4 & 6	10,703	76	14,023	80
Receivable against sale of shares due from National Clearing Company of Pakistan Limited (NCCPL)		-	-	-	-
Dividend receivables from	6				
- Power Generation Company		-	-	-	-
- Oil and Gas sector		331	2	331	2
- Fertilizer		-	-	-	-
- Others		324	2	412	2
NCCPL - security deposit	7	2,500	18	2,500	14
Central Depository Company - security deposit	7	100	1	100	1
		<b>13,958</b>	<b>99</b>	<b>17,366</b>	<b>99</b>

**Past due and impaired assets and collaterals held**

None of the financial assets of the Fund are past due or impaired as at 30 June 2019.

None of the financial instruments of the Fund are secured.

**Settlement risk**

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

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

**18.2 Liquidity risk**

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

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

#### **Management of liquidity risk**

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six days from the date of the redemption request.

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

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

#### **Maturity analysis for financial liabilities**

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

	2019			
	Carrying amount of liabilities	Total	Less than 1 month	Within 3 months
------(Rupees"000")-----				
<b>Non-derivative financial liabilities</b>				
<b>(excluding unit holders' fund)</b>				
Remuneration Payable to the Management Company (excluding Sindh sales tax and federal excise duty)	235	235	235	-
Remuneration payable to the Trustee	62	62	62	-
Annual fee payable to the Securities and Exchange Commission of Pakistan	402	402	-	402
Payable against purchased of investment	-	-	-	-
Accrued expenses and other liabilities *	578	578	578	-
Unclaimed dividend	3,728	3,728	3,728	-
	<u>5,005</u>	<u>5,005</u>	<u>4,603</u>	<u>402</u>
Unit holders' fund	<u>370,790</u>	<u>370,790</u>	<u>370,790</u>	<u>-</u>

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

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

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

### 18.3 Market risk

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

#### **Management of market risks**

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

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

#### 18.3.1 Interest rate risk

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

#### **Exposure to interest rate risk**

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

	2019	2018
	(Rupees in '000)	
<b>Variable rate instruments</b>		
Financial assets (bank balances)	<u>10,112</u>	<u>13,446</u>

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) unit holder fund and income statements by Rs. 0.101 (2018: Rs.0.1345) The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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

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

The above variable rate financial instruments represent PLS account bank balances and carry profits rates ranging between 10.25% to 10.50% per annum. These are withdrawable as demanded.

### 18.3.2 Other market price risk

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

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

	As at 30 June 2019	
	Fund's equity portfolio (%)	KSE-100 benchmark portfolio (%)
<b>Sector wise portfolio</b>		
Automobile Assembler	2.85	2.98
Automobile Parts & Accessories	0.92	0.97
Cable & Electrical Goods	0.30	0.32
Cement	5.61	5.66
Chemicals	2.23	2.32
Close - End Mutual Fund	0.14	0.15
Commercial Banks	27.18	27.08
Engineering	0.62	0.63
Fertilizer	12.69	12.62
Food & Personal Care Products	3.18	3.25
Glass & Ceramics	0.44	0.45
Insurance	1.57	1.62
Inv. Banks / inv. Cos. / securities cos.	2.39	2.41
JUTE	-	-
Leasing Companies	0.11	0.12
Leather & Tannaries	0.17	0.17
Miscellaneous	1.85	1.93
Modarabas	0.04	0.04
Oil & Gas Exploration Companies	15.56	15.50
Oil & Gas Marketing Companies	4.51	4.60
Paper and Board	0.47	0.48
Pharmaceuticals	2.23	2.39
Power Generation & Distribution	6.78	6.75
Real Estate Investment Trust	0.35	0.35
Refinery	0.58	0.61
Sugar & Allied Industries	0.11	0.13
Synthetic & Rayon	0.03	0.06
Technology & Communication	1.12	1.11
Textile Composite	1.84	1.89
Textile Spinning	0.06	0.08
Textile Weaving	0.01	0.01
Tobacco	2.63	2.68
Transport	0.51	0.50
Vanaspati & Allied Industries	0.10	0.11
Woollen	0.01	0.01

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

Refer Note 5.1 also.

#### **Sensitivity analysis - Equity price risk**

In case of 5% increase / (decrease) in PSX 100 index on 30 June 2019, with all other variables held constant, other comprehensive income of the Fund for the year would have increased / (decreased) by Rs. 18.27 million (30 June 2018: Rs. 22.62 million) whereas the net assets would have increased / (decreased) by the same amount, as a result of gains / (losses) on equity securities at fair value through income statement for the year.

This represents management's best estimate of a reasonable possible shift in the PSX-100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of 30 June 2019 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX-100 index.

#### 18.4 Unit holder's fund risk management

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

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

#### 18.5 Fair value of financial instruments

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

The Fund's accounting policy on fair value measurements is discussed in note 3.1.

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs that are quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at 30 June 2019, all investments were categorised in Level 1.

### 19. SUPPLEMENTARY INFORMATION

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

#### 19.1 List of top ten brokers by percentage of commission paid

	2019 commission paid %
i First Capital Equities Limited	14.96
ii Ghani Osman Securities (Private) Limited	14.79
iii Aba Ali Habib Securities (Private) Limited	10.74
iv BMA Capital Management Limited	9.33
v Summit Capital (Private) Limited	8.08
vi Shajar Capital Pakistan (Private) Limited	7.02
vii Muhammad Munir Muhammad Ahmed Khanani Securities (Pvt.) Ltd	6.52
viii FDM Capital Securities (Private) Limited	6.15
ix Adam Securities Limited	5.96
x Creative Capital Securities (Private) Limited	5.96

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

<b>19.2 Performance table</b>	<b>2019</b>	2018	2017
Total net assets value - Rupees in '000	<b>370,790</b>	461,098	519,951
Net assets value per unit at the end of year - Rupees	<b>11.13</b>	14.42	16.30
Net income / (loss) for the year - Rupees in '000	<b>(91,345)</b>	30,475	42,206
Total return of the Fund - Rupees in '000			
- Income distribution - Rupees in '000	-	16,250	27,161
- Accumulated capital growth - Rupees in '000	<b>(174,537)</b>	(83,192)	(97,417)
Distribution per unit (annual) - Rupees [announced on 06 July 2018 & 22 June 2017 respectively]	-	0.51	0.90
Selling price per unit as at 30 June - Rupees	<b>11.24</b>	14.57	16.47
Repurchase price per unit as at 30 June - Rupees	<b>11.12</b>	14.41	16.29
Highest selling price per unit during the year - Rupees	<b>14.59</b>	16.63	19.76
Lowest selling price per unit during the year - Rupees	<b>11.01</b>	13.35	14.41
Highest repurchase price per unit during the year - Rupees	<b>14.44</b>	16.46	19.56
Lowest repurchase price per unit during the year - Rupees	<b>10.89</b>	13.20	14.25
<b>Average annual return of the Fund</b>			
- Last one year	<b>-20.01%</b>	-11.55%	20.77%
- Last two years	<b>-15.78%</b>	4.61%	12.75%
- Last three years	<b>-3.60%</b>	4.65%	12.90%

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

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

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

**19.3 Unit holding pattern of the Fund**

Category	Number of unit holders	Units held	Investment amount	Percentage of total
<b>30 June 2019</b>			<b>(Rupees in '000)</b>	
Individuals	659	2,403,364	26,742	7.21
Retirement Funds	2	30,358,551	337,772	91.10
Others	7	564,122	6,276	1.69
	<b>668</b>	<b>33,326,037</b>	<b>370,790</b>	<b>100.00</b>

Category	Number of unit holders	Units held	Investment amount	Percentage of total
<b>30 June 2018</b>			<b>(Rupees in '000)</b>	
Individuals	653	2,128,256	30,683	6.66
Retirement Funds	2	29,289,354	422,282	91.58
Others	7	564,120	8,133	1.76
	<b>662</b>	<b>31,981,730</b>	<b>461,098</b>	<b>100.00</b>

**19.4 Particulars of the Fund manager and Investment Committee**

Following are the details of the fund manager:

Name of fund manager	Qualification	Name of other funds managed
Ms. Laraib Mohib	BBA, CFA II	AKD Islamic Stock Fund

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

Name of members	Designation	Qualification	Experience in years
Mr. Imran Motiwala	Chief Executive Officer	BBA	25
Ms. Anum Dhedhi	Chief Investment Officer	BSC	8
Mr. Muhammad Yaqoob	Chief Operating Officer and Company Secretary	MBA, CFA	15
Mr. Nadeem Saulat Siddiqui	Director Corporate Sales	MBA	26
Mr. Bilal Shuja Zaidi	Portfolio Manager	BS, CFA II	1
Ms. Laraib Mohib	Fund Manager	BBA, CFA II	5
Mr. Muhammad Taha Siddiqui	Risk Manager	ACCA	4
Mr. Danish Aslam Peter	Fund Manager	BS, CFA I	1
Mr. Ambrat Khemani	Head of Research	MBA, CFA	4

**19.5 Directors meeting attendance**

During the year 76th, 77th, 78th, 79th and 80th board meetings were held on July 06, 2018, September 28, 2018, October 27, 2018, February 22, 2019 and April 27, 2019 respectively. Information in respect of attendance by Directors in these meetings is given below:

Name of Director	Number of meetings held	Attended	Leave granted	Meetings not attended
Mr. Abdul Karim	5	5	-	-
Mr. Imran Motiwala	5	5	-	-
Mr. Ali Wahab Siddiqui	5	4	1	78th
Ms. Anum Dhedhi	5	4	1	77th
Ms. Aysa Ahmed	5	5	-	-
Mr. Hasan Ahmed	5	5	-	-
Mr. Saim Mustafa	5	4	1	77th

**19.6 Rating of the Fund and the management company**

AKD Investment Management Limited  
(Management Company of the Fund)

Agency	PACRA
Asset Manager Rating	AM3 ++
Date	8-Feb-19

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

**20 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at 30 June 2019 (2018: Nil)

**21 GENERAL**

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

**22. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorised for issue on September 30, 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

## PROXY DETAILS ISSUED BY FUND FOR THE YEAR ENDED JUNE 30, 2019

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

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

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Reason for Abstaining</b>
Number	17	17	0	0	-
(%ages)	100	100	0	0	-

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

## مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

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

### فنڈ کی مالیاتی کارکردگی

#### AKD اپرچوٹی فنڈ (AKDOF)

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

#### AKD انڈیکس ٹریڈر فنڈ (AKDITF)

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

#### AKD کیش فنڈ (AKDCF)

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

#### AKD ایگریسیو انکم فنڈ (AKDAIF)

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

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

## AKD اسلامک انکم فنڈ (AKDISIF)

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

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

## AKD اسلامک اسٹاک فنڈ (AKDISSF)

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

## وسیع پس منظر

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

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

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

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

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

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

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

ہمارے خیال میں، مالیاتی سال 2019 میں امریکی ڈالر کے مقابلے روپے کی قدر میں 34 فیصد کمی، متعدد درآمدی اشیاء<sup>۱</sup> پر انضباطی ڈیوٹیوں کا نفاذ اور دوست ممالک کی جانب سے مالی معاونت کے لیے فراہم کردہ رقم سے بیرونی خسارہ کے مد میں کچھ سہولت ہوگی۔ آئیو اے دنوں میں، ہمارا خیال ہے کہ CPEC کی سرمایہ کاری پاکستان میں سرمایہ کاری لانے میں انتہائی اہم کردار ادا کرتی رہے گی اور کرنسی کو مستحکم کرے گی تاکہ درآمدی پیداوار میں بہتری ہو۔ موجودہ گورنمنٹ کا معاشی پالیسیوں اور اصلاحات کے بارے میں مجموعی واضح موقف، ملک کی بڑے پیمانے کی کارکردگی کے تعین کنندہ ہوں گے۔

### ایکویٹی (Equity) مارکیٹ کا جائزہ

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

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

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

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

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

### زر کی منڈی کا جائزہ

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

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

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

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

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

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

بورڈ اجلاس کی حاضری

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

آڈٹ کمیٹی اجلاس کی حاضری

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

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

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

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

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

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

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

#### مینجمنٹ کمپنی کی درجہ بندی

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

#### فنڈز کی درجہ بندی

##### AKD اپرچوئیٹی فنڈ

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

#### AKD کیش فنڈ

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

## AKD اگریسیو انکم فنڈ

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

## گولڈن ایروسلیکنڈ اسٹاک فنڈ لمیٹڈ

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

## AKD اسلامک انکم فنڈ

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

## ہولڈنگ کمپنی

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

## آڈیٹرز کا انتخاب

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

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

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

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

لیے دستوری آڈیٹرز کا دوبارہ انتخاب کر دیا ہے۔

## اعتراف

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

## مستقبل کا منظر نامہ

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

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

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

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

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

برائے ومنجانب بورڈ

عمران موتی والا  
چیف ایگزیکٹو آفیسر

عبدل کریم میمن  
چیرمین








کراچی: 30 ستمبر 2019



## Be aware, Be alert, Be safe

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

### Key features:

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

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



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

 [jamapunji.pk](http://jamapunji.pk)

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

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



**AKD Investment  
Management Ltd.**

**Head Office:**

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

**Gulshan-e-Iqbal Branch:**

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

**Abbottabad Branch:**

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

**Lahore Branch:**

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

E-mail : [info@akdinvestment.com](mailto:info@akdinvestment.com)  
Website : [www.akdinvestment.com](http://www.akdinvestment.com)