

Funds Managed by:
AKD Investment Management Ltd.

Half Yearly Report
December 31, 2019
(Un-audited)



half yearly report

AKD
OPPORTUNITY FUND

AKD
INDEX TRACKER FUND

AKD
CASH FUND

AKD
AGGRESSIVE INCOME FUND

AKD
ISLAMIC INCOME FUND

AKD
ISLAMIC STOCK FUND

**GOLDEN ARROW
STOCK FUND**

Partner with AKD
Profit from the Experience



AKD Investment
Management Ltd.

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MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman

Mr. Abdul Karim

Director & Chief Executive Officer

Mr. Imran Motiwala

Directors

Ms. Anum Dhedhi

Ms. Aysha Ahmed

Mr. Ali Wahab Siddiqui

Mr. Hasan Ahmed

Mr. Saim Mustafa Zuberi

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)

Mr. Hasan Ahmed (Member)

Mr. Saim Mustafa Zuberi (Member)

Ms. Tayyaba Masoom Ali (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

Ms. Aysha Ahmed (Chairman)

Mr. Abdul Karim (Member)

Mr. Imran Motiwala (Member)

Ms. Anum Dhedhi (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING

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

**CORPORATION
INFORMATION**

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), AKD Islamic Stock Fund (AKDISSF), and Golden Arrow Stock Fund (GASF)- (Formerly: Golden Arrow Selected Stocks Fund Limited) is pleased to present its Half Yearly report along with the Funds' reviewed financial statements for the first half ended December 31, 2019.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 1HFY20, the return of AKD Opportunity Fund stood at 10.54% compared to the benchmark KSE-100 Index return of 20.16%.

AKD Index Tracker Fund (AKDITF)

For the 1HFY20, the return of AKD Index Tracker Fund stood at 18.48% compared to the benchmark KSE-100 Index return of 20.16%.

AKD Cash Fund (AKDCF)

For the 1HFY20, the annualized return of AKD Cash Fund stood at 12.16% compared to benchmark return of 12.67%.

AKD Aggressive Income Fund (AKDAIF)

For the 1HFY20, the annualized return of AKD Aggressive Income Fund stood at 11.59% compared to benchmark return of 13.82%.

AKD Islamic Income Fund (AKDISIF)

For the 1HFY20, the annualized return of AKD Islamic Income Fund stood at 12.11% compared to benchmark return of 6.12%.

AKD Islamic Stock Fund (AKDISSF)

For the 1HFY20, the return of AKD Islamic Stock Fund stood at 8.62% compared to the benchmark KMI-30 Index return of 22.01%.

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

For the 1HFY20, the return of Golden Arrow Stock Fund (Formerly: Golden Arrow Selected Stocks Fund Limited) stood at 0.98% compared to the benchmark KSE-100 Index return of 20.16%.

MACRO PERSPECTIVE:

The Current Account Deficit (CAD) for 1HFY20 stood at \$2.099 billion (1.5% of GDP) as compared to \$8.614 billion (5.8% of GDP) in the same period last year (SPLY), exhibiting a significant decline of 75.6% YoY. The improved performance was on the back of a decline in import of goods by 21.0% YoY to \$22.17 billion from \$28.063 billion while exports illustrated a modest increase of 4.46% YoY to \$12.391 billion in the 1HFY20. In addition, workers' remittances also provided support for the period at \$11.395 billion as compared to \$11.029 billion SPLY.

On the fiscal front, the Federal Board of Revenue (FBR) managed to collect PKR 2.080 trillion in the 1HFY20. The FBR's full target of PKR 5.550 trillion implying an estimated 45% growth from the last fiscal year's collection of PKR 3.828 trillion was widely referred to as ambitious to begin with and as expected the tax collection target was later revised downward to PKR 5.238 trillion.

As per the Pakistan Bureau of Statistics (PBS), National Consumer Price Index (NCPI) for the month of January 2020 stood at 14.56% YoY which pulls the average inflation for 7MFY20 to 11.60% as compared to 5.90% SPLY. This significant increase in monthly inflation was primarily due to increase in prices of Food and non- alcoholic beverages (weight 34.58%) by 23.65% YoY. Average Core Inflation (Non Food Non Energy) for Urban and Rural clocked in at 7.9% and 9.0% respectively. Despite the recent inflationary pressures noticed, the State Bank of Pakistan (SBP) has maintained its average inflation target at 11% - 12% for the fiscal year unchanged in its latest Monetary Policy Statement (MPS) announced on January 28, 2020.

The Large Scale Manufacturing (LSM) witnessed a decline of 3.35% cumulatively for the 1HFY20 (July-December). Major decline was witnessed in sectors such as such as Automobiles (-36.40%), Electronics (-14.08%), Iron & Steel products (-12.31%), and Coke & petroleum products (-10.33%) during the period. On the other hand, there were some LSM related sectors that exhibited major positive growth which were Food and Beverages and Tobacco (4.33%), Non Metallic Mineral Product (2.90%), Fertilizers (4.89%), and Paper & Boards (7.87%).

During the 1HFY20, Pakistan was able to attract \$1.34 billion in Foreign Direct Investment (FDI) as compared to \$0.80 billion in the SPLY, exhibiting an increase of 68.25% YoY. Portfolio Investment in Pakistan's debt securities for 1HFY20 stood at \$452 million, which has shown an unprecedented increase due to attractive risk free yields offered during the period.

The total liquid foreign exchange reserves of Pakistan stood at \$17.930 billion (\$6.594 billion net reserves with banks and \$11.336 billion net reserves with State Bank of Pakistan) as compared to \$13.757 SPLY. After completion of the review, Pakistan has received its second tranche of \$452.4 million by the end of 1HFY20 bringing total disbursements to approximately \$1.440 billion from International Monetary Fund (IMF) under 39-month Extended Fund Facility (EFF) of \$6 billion.

EQUITY REVIEW:

Equity markets witnessed a period of revival, reversing the negative trend with the KSE-100 index providing a return of 20.2% during 1HFY20. In retrospect, it seems that the KSE-100 index bottomed out during August 2019 near a five year low of 28,765pts providing exceptional valuations. Undergoing significant pull back since, renewed buying interest and increased appetite for equity exposure pushed the index to return 42% despite relatively high yields on government papers, as the market showed some resilience after a prolonged period of weakness. The stock market ended on a strong note with the index climbing 33.1% during Sept-Dec'19 (with Nov'19 being the best month for returns since May'13).

Encouraging participation was witnessed during the period with average daily traded volumes rising 20.6%YoY for 1HFY20 and 37.9% over 2HFY19, while average traded value climbed 25.6% vs. 2HFY19. Investors flocked to main board or index heavyweight companies where the share of KSE-100 volumes in overall market volumes averaged 71% during 1HFY20 vs. 59% during 1HFY19, indicating improved confidence on the prospects of an economic revival. End of calendar year played a major part in driving volumes as well, with Dec'19 average volume of 194.3mn being the highest since Jan'17 as GoP policy to tackle fiscal and external deficiencies was welcomed by market participants.

Significant sectors moving the index higher during 1HFY20 included: 1) Commercial Banks (+12%), 2) Fertilizers (+15%YoY), 3) Cements (+16%), 4) Food & Personal Goods (+19%) and 5) OMCs (+19%). No major sector was seen to be in the red during the period. Foreign Portfolio Investors were net buyers during the period with cumulative inflow of US\$8.0mn continuing the US\$47.7mn inflow seen during 2HFY19. Amongst domestic investor fund flows individuals were net buyers (US\$140.1mn) aided by Trusts, other organizations (US\$14.2mn) while institutional selling was seen. This outflow was led by Banks/DFIs (US\$90.8mn), Mutual Funds (US\$52.7mn) and Insurance Companies (US\$19.7mn).

Going into 2HFY20, market is expected to remain volatile with FATF related news and stringent compliance requirement particularly on fiscal side under the IMF program, i.e. electricity and gas tariff hike, and structural reforms. Government running revenue shortfall can additionally maintain pressure on market. Sharp uptick inflation has delayed the monetary easing cycle hence pace and timing of monetary adjustments holds the key for sustaining the thrust of the market.

MONEY MARKET REVIEW:

During 1HFY20, fourteen (14) T-Bill auctions were carried out by the SBP, where the Government successfully managed to raise PKR 9.93 trillion. Weighted average yield on the 3-month, 6-month, and 12-month period were 13.50%, 13.58%, and 13.48% respectively, as compared to 8.38%, and 9.01% for same period last year. During the said period it was also noted that there was no participation recorded in the 12 month paper in the aforementioned auctions. It is pertinent to note that yield curve has been on a declining trend since touching its high of 13.75%, 13.95% and 14.22% for 3-months, 6-months and 12-months T-bills respectively, depicting an inversion in the yield curve within short tenure papers as well.

To further address liquidity demand, the SBP conducted six (6) auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR 1,374.86 billion during 1HFY20 with weighted average maturity yield on 3-year, 5-year, and 10-year of 12.97%, 12.60%, and 12.38%, as compared to 8.31%, 9.70%, and 9.49% respectively, during the same period last year. In the recent auction result, weighted average maturity yields for 5 year/ 10 years had fallen by 6.12bps/6.28bps to 11.0899%/ 10.8825% respectively. The yield spread between the 3 year and 10 year PIBs have widened by 84bps as compared to 75bps in the previous auction further endorsing market consensus of eventual monetary easing.

The Monetary Policy Committee (MPC) announced three (3) Monetary Policy Statements (MPS) in 1HFY20 where the committee raised the interest rate during monetary policy in July 2019 by 100bps to 13.25%. In its recent MPS held in November 2019, MPC decided to maintain policy rate keeping the inflation outlook intact. The SBP conducted 55 Open Market Operations (OMO) in 1HFY20 of different maturities, and injected average amount of PKR581.68 billion per OMO at an average cut-off yield of 13.24%.

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 PKR2.50 trillion by issuing 3 to 12-month tenor T-Bills to pay back the maturing debt of PKR2.35 trillion, in the next quarter. In addition, SBP will raise another PKR150 billion through the auction of a 10-Year Floating PIB, in the next quarter.

FUTURE OUTLOOK:

Going into 2HFY20, the market is expected to remain volatile with FATF related news and stringent compliance requirements particularly on the fiscal side under the IMF program,

including prospective hikes in electricity and gas tariffs in addition to structural reforms. With the Government running revenue shortfalls investors will remain cautious of an early economic revival which is expected to exert pressure on stock prices or keep significant upside in check. Sharp uptick in inflation has delayed the monetary easing cycle hence pace and timing of monetary adjustments holds the key for sustaining the thrust of the market.

With the upcoming result season, near term market performance will largely be guided by earning reads. We believe a significant reversal in equity market will be more dependent on liquidity rather than valuations for now. The KSE-100 index trades at a Price-to-earnings (P/E) and Dividend Yield (DY) of 6.74x and 7.46% respectively as compared to Regional Markets P/E and DY of 13.72x and 2.65% respectively. The investor confidence level and foreign participation will play a major role in this regard.

On the Fixed Income side, the yields offered by 3 year, 5 year and 10 year Pakistan Investment Bonds (PIBs) has declined by 2.21%, 2.97% and 2.72% respectively. This rapid decrease in short term and long term yields of Government bonds illustrates a market consensus of a foreseeable decline in interest rates by the central bank.

The investors are closely monitoring the improving macro economic situation of Pakistan, and combined with the bearish outlook for the future interest rates, more investors would shift their preference to the equity market. This will provide substantial liquidity to the bourse, and will help the stock market continue its upward movement on the back of attractive valuations.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim Memon
Chairman

Karachi: February 21, 2020

AKD Index Tracker Fund

Financial Information - First Half FY20

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AKD Index Tracker Fund



MANAGEMENT COMPANY

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

TRUSTEE

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

BANKERS

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

AUDITORS

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

LEGAL ADVISER

Sattar & Sattar
Attomeys - at - law
3rd Floor, UBL Building,
I.I Chundrigar Road,
Karachi.

REGISTRAR

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

DISTRIBUTORS

AKD Investment Management Limited
Investomate (Pvt.) Limited
Investlink Advisor (Private) Limited

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:

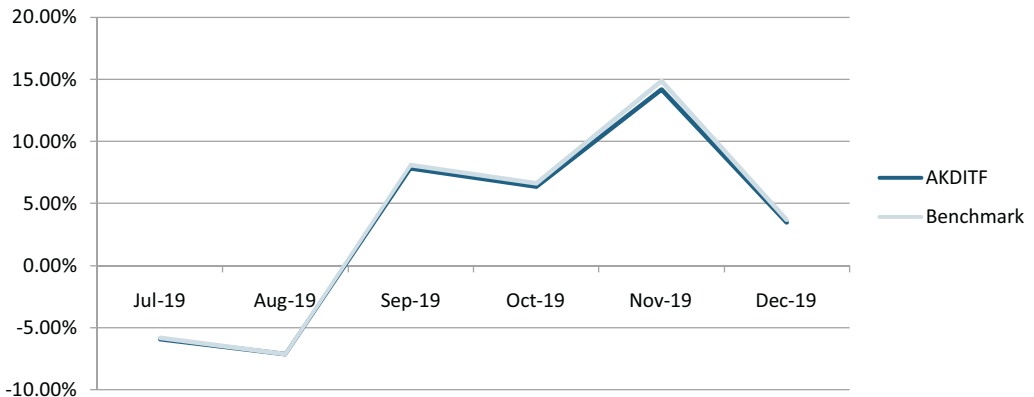
For the 1HFY20, the return of AKD Index Tracker Fund stood at 18.48% compared to the benchmark KSE-100 Index return of 20.16%.

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:

AKDITF PERFORMANCE RELATIVE TO BENCHMARK



Monthly yield	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
AKDITF	-5.87%	-7.10%	7.82%	6.38%	14.17%	3.47%
Benchmark	-5.79%	-7.10%	8.11%	6.62%	14.86%	3.68%

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

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

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

Asset Allocation (% of Total Asset)	31-Dec-19	30-Sep-19
Equities	97.84%	95.77%
Cash	1.54%	2.66%
Other Assets	0.62%	1.57%

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

1HFY20 Return	18.48%
Benchmark Return	20.16%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
31-Dec-19	30-Sep-19		31-Dec-19	30-Sep-19
(Rupees In "000")			Rs.	Rs.
445,291	350,937	26.89%	13.18	10.49

- 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 Current Account Deficit (CAD) for 1HFY20 stood at \$2.099 billion (1.5% of GDP) as compared to \$8.614 billion(5.8% of GDP) in the same period last year (SPLY), exhibiting a significant decline of 75.6% YoY. The improved performance was on the back of a decline in import of goods by 21.0% YoY to \$22.17billion from \$28.063 billion while exports illustrated a modest increase of 4.46% YoY to \$12.391 billion in the 1HFY20. In addition, workers' remittances also provided support for the period at \$11.395 billion as compared to \$11.029 billion SPLY.

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maintain pressure on market. Sharp uptick inflation has delayed the monetary easing cycle hence pace and timing of monetary adjustments holds the key for sustaining the thrust of the market.

FUTURE OUTLOOK:

Going into 2HFY20, the market is expected to remain volatile with FATF related news and stringent compliance requirements particularly on the fiscal side under the IMF program, including prospective hikes in electricity and gas tariffs in addition to structural reforms. With the Government running revenue shortfalls investors will remain cautious of an early economic revival which is expected to exert pressure on stock prices or keep significant upside in check. Sharp uptick in inflation has delayed the monetary easing cycle hence pace and timing of monetary adjustments holds the key for sustaining the thrust of the market.

With the upcoming result season, near term market performance will largely be guided by earning reads. We believe a significant reversal in equity market will be more dependent on liquidity rather than valuations for now. The KSE-100 index trades at a Price-to-earnings (P/E) and Dividend Yield (DY) of 6.74x and 7.46% respectively as compared to Regional Markets P/E and DY of 13.72x and 2.65% respectively. The investor confidence level and foreign participation will play a major role in this regard.

On the Fixed Income side, the yields offered by 3 year, 5 year and 10 year Pakistan Investment Bonds (PIBs) has declined by 2.21%, 2.97% and 2.72% respectively. This rapid decrease in short term and long term yields of Government bonds illustrates a market consensus of a foreseeable decline in interest rates by the central bank.

The investors are closely monitoring the improving macro economic situation of Pakistan, and combined with the bearish outlook for the future interest rates, more investors would shift their preference to the equity market. This will provide substantial liquidity to the bourse, and will help the stock market continue its upward movement on the back of attractive valuations.

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	624
10,000 - 49,999	29
50,000 - 99,999	4
100,000 - 499,999	4
500,000 and above	2
	663

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.

TRUSTEE REPORT TO THE UNIT HOLDERS

AKD INDEX TRACKER FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Index Tracker Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 28, 2020

REVIEW REPORT TO THE UNITHOLDERS ON REVIEW OF CONDENSED FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of AKD INDEX TRACKER FUND (here-in-after referred to as the "Fund") as at December 31, 2019, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund, condensed interim statement of cash flows and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the half year ended December 31, 2019. The Management Company (AKD Investment Management Limited) is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The financial statements of the Fund for the year ended June 30, 2019 were audited by another firm of Chartered Accountants who vide their report dated September 30, 2019 issued an unqualified opinion thereon.

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

		(Unaudited) December 31, 2019 ----- (Rupees in '000) -----	(Audited) June 30, 2019 -----
	Note		
Assets			
Bank balances	4	7,034	10,605
Investments	5	445,613	365,421
Dividend and profit receivable on bank deposits	6	181	753
Deposits, prepayments and other receivables	7	2,638	2,624
Total assets		455,466	379,403
Liabilities			
Payable to the Management Company	8	1,871	1,656
Payable to the Trustee	9	90	71
Payable to Securities and Exchange			
Commission of Pakistan	10	38	402
Accrued expenses and other liabilities	11	8,176	6,484
Total liabilities		10,175	8,613
Net assets		445,291	370,790
Unit holders' fund (as per statement attached)		445,291	370,790
Contingencies and commitments	13		
		----- (Number of units) -----	
Number of units in issue		33,780,298	33,326,037
		----- (Rupees) -----	
Net assets value per unit		13.18	11.13

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2019

	Note	For the half year ended December 31,		For the quarter ended December 31,	
		2019	2018	2019	2018
----- (Rupees in '000) -----					
Income					
Capital gain / (loss) on sale of investments at fair value through profit or loss		749	(2,018)	1,353	(1,390)
Net unrealised appreciation / (diminution) on remeasurement of investments at fair value through profit or loss'		60,516	(61,800)	85,327	(47,401)
Dividend income		11,690	11,342	6,559	6,285
Profit on bank balances		764	477	427	273
Total income / (loss)		73,719	(51,999)	93,666	(42,233)
Expenses					
Remuneration to the Management Company	8.1	1,419	1,672	767	813
Sales tax on the remuneration of Management Company	8.2	184	217	100	106
Remuneration to the Trustee	9.1	382	446	204	217
Sales tax on the Trustee remuneration	9.2	49	58	27	28
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	38	212	20	103
Expenses allocated by the Management Company		189	223	102	108
Brokerage and settlement charges		269	235	161	119
Bank charges		4	8	-	1
Auditors' remuneration		135	128	68	52
Printing and stationery		75	68	37	18
Legal and professional charges		108	91	-	-
Fee and subscription		26	22	7	15
Sindh Workers' Welfare Fund		1,417	-	1,417	(53)
Total expenses		4,295	3,380	2,910	1,527
Net income / (loss) for the period before taxation		69,424	(55,379)	90,756	(43,760)
Taxation	14	-	-	-	-
Net income / (loss) for the period after taxation		69,424	(55,379)	90,756	(43,760)
Allocation of net income for the period:					
Net income for the period after taxation		69,424	(55,379)	90,756	(43,760)
Income already paid on units redeemed		(995)	-	(995)	-
		68,429	(55,379)	89,761	(43,760)
Accounting income available for distribution:					
Relating to capital gains		60,516	-	85,327	-
Excluding capital gains		7,913	-	4,434	-
		68,429	-	89,761	-

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

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2019**

	For the half year ended December 31,		For the quarter ended December 31,	
	2019	2018	2019	2018
----- (Rupees in '000) -----				
Net income / (loss) for the period after taxation	69,424	(55,379)	90,756	(43,760)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	69,424	(55,379)	90,756	(43,760)

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

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

	For the half year ended December 31, 2019			For the half year ended December 31, 2018		
	------(Rupees in '000)-----			------(Rupees in '000)-----		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period	360,051	10,739	370,790	342,764	118,334	461,098
Issuance of 1,041,286 units (2018: 1,235,411 units)						
- Capital value (at net asset value per unit at the beginning of the period)	11,585	-	11,585	17,184	-	17,184
- Element of income	900	-	900	(269)	-	(269)
Total proceeds on issuance of units	12,485	-	12,485	16,915	-	16,915
Redemption of 587,025 units (2018: 622,078 units)						
- Capital value (at net asset value per unit at the beginning of the period)	6,531	-	6,531	8,653	-	8,653
- Amount paid out of element of income relating to net income for the year after taxation	-	(995)	(995)	-	-	-
- Element of income	1,872	-	1,872	(490)	-	(490)
Total payments on redemption of units	8,403	(995)	7,408	8,163	-	8,163
Total comprehensive income / (loss) for the period	-	69,424	69,424	-	(55,379)	(55,379)
Distribution during the period	-	-	-	-	(16,250)	(16,250)
Net income / (loss) for the period less distribution	-	69,424	69,424	-	(71,629)	(71,629)
Net assets at end of the period	364,133	79,168	445,291	351,516	46,705	398,221
Distribution for the year						
Undistributed income brought forward	-	113,988	113,988	-	143,145	143,145
- Relating to capital gains	-	(103,249)	(103,249)	-	(24,811)	(24,811)
- Excluding capital gains	-	10,739	10,739	-	118,334	118,334
Accounting income available for distribution						
- Relating to capital gains	-	60,516	60,516	-	-	-
- Excluding capital gains	-	7,913	7,913	-	-	-
	-	68,429	68,429	-	-	-
Accounting loss for the period	-	-	-	-	(55,379)	(55,379)
Distribution during the period	-	-	-	-	(16,250)	(16,250)
Undistributed income carried forward	-	79,168	79,168	-	46,705	46,705
Undistributed income carried forward						
- Realised	-	18,652	18,652	-	(38,622)	(38,622)
- Unrealised	-	60,516	60,516	-	85,327	85,327
	-	79,168	79,168	-	46,705	46,705
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			11.13			14.42
Net assets value per unit at end of the period			13.18			12.22

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

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2019

	For the half year December 31, December 31,		For the quarter December 31,	
	2019	2018	2019	2018
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (loss) for the period before taxation	69,424	(55,379)	90,756	(43,760)
Adjustments for:				
Capital gain on sale of investments	(749)	-	(1,353)	-
Net unrealised appreciation / (diminution) on remeasurement of investments at fair value through profit or loss'	(60,516)	61,800	(85,327)	47,401
	8,159	6,421	4,076	3,641
Decrease / (increase) in assets				
Dividend and profit receivable on bank deposits	572	219	2,854	3,177
Deposits, prepayments and other receivables	(14)	-	-	-
	558	219	2,854	3,177
Increase / (decrease) in liabilities				
Payable to the Management Company	215	(28)	239	(13)
Payable to the Trustee	19	(7)	22	(3)
Payable to Securities and Exchange Commission of Pakistan	(364)	(239)	20	103
Payable against redemption of units	-	109	-	109
Accrued expenses and other liabilities	1,692	87	1,553	(34)
	1,562	(78)	1,834	162
Investments - net	(18,927)	(2,646)	(15,458)	(3,248)
Net cash (used in) / generated from operating activities	(8,648)	3,916	(6,694)	3,732
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	12,485	16,915	10,245	2,488
Dividend paid	-	(16,250)	-	-
Payment against redemption of units	(7,408)	(8,163)	(6,646)	(8,087)
Net cash generated from / (used in) financing activities	5,077	(7,498)	3,599	(5,599)
Net decrease in cash and cash equivalents	(3,571)	(3,582)	(2,506)	(1,867)
Cash and cash equivalents at beginning of the period	10,605	13,965	9,540	12,250
Cash and cash equivalents at end of the period	7,034	10,383	7,034	10,383

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

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019****1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** AKD Index Tracker Fund (the Fund) was established under a Trust Deed, dated May 02, 2007, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 02 May 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 12, 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 Regulations, 2008.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.
- 1.3** The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** 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 (excluding TDRs), and treasury bills not exceeding 90 days maturity.
- 1.5** The Pakistan Credit Rating Company Limited (PACRA) has assigned asset manager rating of 'AM3++' to the Management Company dated August 09, 2019. Due to special nature of the Fund, performance ranking has not been taken, as the comparable benchmark is not available.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as trustee of the Fund.

2. BASIS OF PREPARATION**2.1 Statement of compliance**

- 2.1.1** This condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement of the Trust Deed

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

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

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

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

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Savings accounts	4.1	6,534	10,112
Current accounts		500	493
		7,034	10,605

4.1 Mark-up rates on these accounts range between 11.25% to 11.50% (June 30, 2019: 10.25% to 10.5%) per annum.

		(Unaudited)	(Audited)
		December 31,	June 30,
		2019	2019
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			
At fair value through profit or loss			
- Listed equity securities	5.1	<u><u>445,613</u></u>	<u><u>365,421</u></u>

5.1 Listed Equity Securities - 'at fair value through profit or loss'

Name of the Investee Company	Face value per share (Rupees)	Number of shares					Balance as at December 31, 2019			Percentage in relation to		
		As at July 1, 2019	Purchases during the period	Bonus / right issue received during the year	Sold / Disposed	As at December 31, 2019	Carrying cost	Market value	Un-realised gain / (loss) on revaluation	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
----- Rupees in '000 ----- % -----												
Shares of listed companies												
Automobile Assembler												
Atlas Honda Limited	10	3,220	-	-	300	2,920	939	1,110	170	0.25	0.25	0.00
Honda Atlas Cars (Pakistan) Limited	10	6,100	900	-	-	7,000	1,104	1,533	428	0.34	0.34	0.00
Indus Motor Company Limited	10	3,069	140	-	-	3,209	3,863	3,728	(135)	0.84	0.84	0.00
Millat Tractors Limited	10	5,143	300	580	600	5,423	4,144	3,820	(324)	0.86	0.86	0.01
Pak Suzuki Motor Company Limited	10	4,720	700	-	-	5,420	1,265	1,250	(14)	0.28	0.28	0.01
						11,315	11,441	125				
Automobile Parts & Accessories												
Agricauto Industries Limited	5	4,000	-	-	-	4,000	800	800	-	0.18	0.18	0.01
Thal Limited	5	7,171	400	-	-	7,571	2,739	2,561	(178)	0.57	0.58	0.01
						3,539	3,361	(178)				
Cable & Electrical Goods												
Pak Elektron Limited	10	58,275	-	-	-	58,275	1,167	1,578	411	0.35	0.35	0.01
Cement												
Bestway Cement Limited	10	6,200	-	-	-	6,200	639	704	65	0.16	0.16	0.00
Cherat Cement Company Limited	10	22,096	-	2,209	-	24,305	684	1,289	605	0.29	0.29	0.01
D. G. Khan Cement Company Limited	10	48,687	4,000	-	-	52,687	3,038	3,913	876	0.88	0.88	0.01
Fauji Cement Company Limited	10	179,850	-	-	-	179,850	2,829	2,798	(31)	0.63	0.63	0.01
Kohat Cement Company Limited	10	13,850	-	-	-	13,850	728	1,072	344	0.24	0.24	0.01
Lucky Cement Limited	10	29,933	2,200	-	800	31,333	11,970	13,423	1,453	3.01	3.01	0.01
Maple Leaf Cement Factory Limited	10	60,512	-	51,435	-	111,947	2,063	2,590	528	0.58	0.58	0.02
Pioneer Cement Limited	10	26,100	4,000	-	-	30,100	724	918	193	0.21	0.21	0.01
						22,675	26,707	4,033				
Chemical												
Archroma Pakistan Limited	10	1,950	-	-	-	1,950	927	1,199	273	0.27	0.27	0.01
Colgate Palmolive (Pakistan) Limited	10	1,319	2	-	-	1,321	2,742	3,104	363	0.70	0.70	0.00
Engro Polymer & Chemicals Limited	10	70,497	8,000	-	1,500	76,997	2,137	2,557	420	0.57	0.57	0.01
ICI Pakistan Limited	10	3,038	300	-	-	3,338	1,800	2,253	453	0.51	0.51	0.00
Lotte Chemical Pakistan Limited	10	88,000	-	-	-	88,000	1,342	1,234	(108)	0.28	0.28	0.01
						8,948	10,347	1,401				
Close - End Mutual Fund												
HBL Growth Fund - Class A	10	57,512	-	-	-	57,512	594	658	64	0.15	0.15	0.02

Name of the Investee Company	Face value per share (Rupees)	Number of shares					Balance as at December 31, 2019			Percentage in relation to		
		As at July 1, 2019	Purchases during the period	Bonus / right issue received during the year	Sold / Disposed	As at December 31, 2019	Carrying cost	Market value	Un-realised gain / (loss) on revaluation	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
----- Rupees in '000 ----- % -----												
Commercial Banks												
Allied Bank Limited	10	39,962	1,800	-	-	41,762	4,362	3,992	(369)	0.90	0.90	0.00
Askari Bank Limited	10	96,313	-	-	5,000	91,313	1,727	1,693	(34)	0.38	0.38	0.01
Bank Al Habib Limited	10	167,832	13,000	-	5,500	175,332	13,667	13,353	(314)	3.00	3.00	0.02
Bank Alfalah Limited	10	162,335	14,500	-	4,100	172,735	7,544	7,894	350	1.77	1.77	0.01
Faysal Bank Limited	10	107,180	-	-	-	107,180	2,307	2,039	(268)	0.46	0.46	0.01
Habib Bank Limited	10	170,083	18,400	-	10,100	178,383	20,565	28,081	7,516	6.30	6.31	0.01
Habib Metropolitan Bank Limited	10	107,568	7,500	-	-	115,068	4,138	4,183	44	0.94	0.94	0.01
MCB Bank Limited	10	96,728	10,200	-	5,800	101,128	17,785	20,725	2,940	4.65	4.65	0.01
Meezan Bank Limited	10	74,530	5,500	-	2,100	77,930	6,786	7,413	628	1.66	1.66	0.01
National Bank Of Pakistan	10	123,238	-	-	-	123,238	4,148	5,336	1,188	1.20	1.20	0.01
Standard Chartered Bank (Pakistan) Limite	10	45,848	-	-	-	45,848	1,028	1,082	54	0.24	0.24	0.00
The Bank Of Punjab	10	262,659	13,000	-	4,000	271,659	2,513	3,078	565	0.69	0.69	0.01
United Bank Limited	10	113,829	12,200	-	6,900	119,129	17,596	19,597	2,001	4.40	4.40	0.01
							104,166	118,466	14,301			
Engineering												
International Industries Limited	10	12,000	1,000	1,200	-	14,200	1,036	1,574	538	0.35	0.35	0.01
International Steels Limited	10	35,000	-	-	3,000	32,000	1,271	1,852	582	0.42	0.42	0.01
							2,307	3,426	1,120			
Fertilizer												
Engro Corporation Limited	10	73,631	7,500	-	4,100	77,031	20,795	26,595	5,800	5.97	5.97	0.01
Engro Fertilizers Limited	10	139,775	9,500	-	3,000	146,275	9,408	10,741	1,333	2.41	2.41	0.01
Fatima Fertilizer Company Limited	10	69,734	7,000	-	-	76,734	2,271	2,040	(230)	0.46	0.46	0.00
Fauji Fertilizer Bin Qasim Limited	10	72,451	7,500	-	2,000	77,951	1,463	1,522	58	0.34	0.34	0.01
Fauji Fertilizer Company Limited	10	162,550	18,500	-	11,100	169,950	15,053	17,245	2,191	3.87	3.87	0.01
							48,990	58,143	9,152			
Food & Personal Care Products												
Fauji Foods Limited	10	20,000	-	-	20,000	-	-	-	-	-	-	0.00
Frieslandcampina Engro Pakistan Limited	10	16,674	2,000	-	-	18,674	1,122	1,481	358	0.33	0.33	0.00
Murree Brewery Company Limited	10	2,830	200	-	-	3,030	2,296	2,039	(256)	0.46	0.46	0.01
National Foods Limited	5	7,780	1,300	1,716	-	10,796	1,681	2,397	716	0.54	0.54	0.01
Nestle Pakistan Limited	10	1,069	20	-	540	549	3,687	4,419	733	0.99	0.99	0.00
							8,786	10,336	1,551			
Glass & Ceramics												
Ghani Glass Limited	10	36,502	3,000	-	-	39,502	1,762	1,955	193	0.44	0.44	0.01

Name of the Investee Company	Face value per share (Rupees)	Number of shares					Balance as at December 31, 2019			Percentage in relation to		
		As at July 1, 2019	Purchases during the period	Bonus / right issue received during the year	Sold / Disposed	As at December 31, 2019	Carrying cost	Market value	Un-realised gain / (loss) on revaluation	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
----- Rupees in '000 ----- % -----												
Insurance												
Adamjee Insurance Company Limited	10	56,240	3,000	-	-	59,240	2,102	2,493	391	0.56	0.56	0.02
EFU General Insurance Limited	10	15,237	4,000	-	2,000	17,237	1,816	1,901	86	0.43	0.43	0.01
IGI Holdings Limited	10	7,816	900	-	-	8,716	1,339	1,778	439	0.40	0.40	0.01
Jubilee Life Insurance Company Limited	10	3,547	100	-	-	3,647	836	1,459	623	0.33	0.33	0.00
							6,093	7,631	1,539			
Inv. Banks / Inv. Cos. / Securities Cos.												
Dawood Hercules Corporation Limited	10	72,396	4,900	-	1,200	76,096	8,557	11,735	3,178	2.63	2.64	0.02
Pakistan Stock Exchange Limited	10	65,000	50,000	-	-	115,000	1,279	1,435	156	0.32	0.32	0.01
							9,836	13,170	3,334			
Jute												
Crescent Jute Products Limited	10	500	-	-	-	500	-	-	-	-	-	-
Leasing Companies												
Orix Leasing Pakistan Limited	10	17,440	-	-	-	17,440	429	458	29	0.10	0.10	0.01
Leather & Tanneries												
Service Industries Limited	10	1,250	-	312	-	1,562	617	1,213	597	0.27	0.27	0.01
Miscellaneous												
Pakistan Services Limited	10	5,550	160	-	320	5,390	5,499	5,390	(109)	1.21	1.21	0.02
Shifa International Hospitals Limited	10	5,954	700	-	-	6,654	1,466	2,228	762	0.50	0.50	0.01
							6,965	7,618	653			
Modarabas												
First Habib Modaraba	5	14,500	28,000	-	-	42,500	399	412	13	0.09	0.09	0.02
Oil & Gas Exploration Companies												
Mari Petroleum Company Limited	10	5,535	460	563	60	6,498	6,072	8,513	2,441	1.91	1.91	0.00
Oil & Gas Development Company Limited	10	149,537	16,900	-	9,700	156,737	20,577	22,307	1,730	5.01	5.01	0.00
Pakistan Oilfields Limited	10	30,334	2,500	-	1,200	31,634	12,829	14,132	1,302	3.17	3.17	0.01
Pakistan Petroleum Limited	10	129,192	15,400	26,638	9,300	161,930	19,459	22,207	2,749	4.98	4.99	0.01
							58,937	67,159	8,222			

Name of the Investee Company	Face value per share (Rupees)	Number of shares					Balance as at December 31, 2019			Percentage in relation to		
		As at July 1, 2019	Purchases during the period	Bonus / right issue received during the year	Sold / Disposed	As at December 31, 2019	Carrying cost	Market value	Un-realised gain / (loss) on revaluation	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
----- Rupees in '000 ----- % -----												
Oil & Gas Marketing Companies												
Attock Petroleum Limited	10	5,640	400	-	-	6,040	1,765	2,234	468	0.50	0.50	0.01
Hascol Petroleum Limited	10	15,455	-	62,092	-	77,547	1,682	2,086	404	0.47	0.47	0.04
Pakistan State Oil Company Limited	10	40,163	4,000	8,232	1,100	51,295	7,379	9,830	2,452	2.21	2.21	0.01
Shell Pakistan Limited	10	4,751	800	-	200	5,351	981	1,356	375	0.30	0.30	0.01
Sui Northern Gas Pipelines Limited	10	64,670	4,500	-	-	69,170	4,812	5,269	457	1.18	1.18	0.01
Sui Southern Gas Company Limited	10	85,328	-	-	7,500	77,828	1,609	1,675	65	0.38	0.38	0.01
						18,228	22,450	4,221				
Paper & Board												
Packages Limited	10	6,089	-	-	600	5,489	1,650	2,189	539	0.49	0.49	0.01
Pharmaceuticals												
Abbot Laboratories (Pakistan) Limited	10	4,765	300	-	-	5,065	2,389	2,263	(127)	0.51	0.51	0.01
AGP Limited	10	22,500	-	-	2,100	20,400	1,398	2,027	629	0.45	0.46	0.01
GlaxoSmith Kline Pakistan Limited	10	11,073	1,500	-	-	12,573	1,334	2,019	685	0.45	0.45	0.00
GlaxoSmith Kline Consumer Healthcare Pakistan Limited	10	3,000	800	-	-	3,800	813	974	161	0.22	0.22	0.00
The Searle Company Limited	10	21,994	1,000	-	-	22,994	3,354	4,340	986	0.97	0.97	0.01
						9,288	11,623	2,334				
Power Generation & Distribution												
The Hub Power Company Limited	10	214,995	33,000	-	9,700	238,295	18,809	22,245	3,436	4.99	5.00	0.02
K-Electric Limited	3.5	650,648	-	-	-	650,648	2,856	2,843	(13)	0.64	0.64	0.00
Kof Addu Power Company Limited	10	103,779	7,000	-	-	110,779	4,015	3,493	(522)	0.78	0.78	0.01
Nishat Chunian Power Limited	10	38,465	5,000	-	-	43,465	770	835	65	0.19	0.19	0.01
Saif Power Limited	10	46,000	-	-	-	46,000	863	964	101	0.22	0.22	0.01
						27,313	30,380	3,067				
Real Estate Investment Trust												
Dolmen City REIT	10	129,500	-	-	-	129,500	1,317	1,617	300	0.36	0.36	0.01
Refinery												
Attock Refinery Limited	10	9,273	500	-	-	9,773	785	1,092	307	0.25	0.25	0.01
Byco Petroleum Pakistan Limited	10	124,000	-	-	-	124,000	795	846	51	0.19	0.19	0.00
National Refinery Limited	10	5,493	-	-	5,493	-	-	-	-	-	-	0.00
						1,580	1,938	358				
Sugar & Allied Industries												
JDW Sugar Mills Limited	10	-	2,300	-	200	2,100	715	735	20	0.16	0.17	0.00
Shakarganj Limited	10	9,000	-	-	9,000	-	-	-	-	-	-	0.00
						715	735	20				

Name of the Investee Company	Face value per share (Rupees)	----- Number of shares -----					Balance as at December 31, 2019			Percentage in relation to		
		As at July 1, 2019	Purchases during the period	Bonus / right issue received during the year	Sold / Disposed	As at December 31, 2019	Carrying cost	Market value	Un-realised gain / (loss) on revaluation	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
----- Rupees in '000 ----- % -----												
Synthetics And Rayon												
Ibrahim Fibres Limited	10	2,000	-	-	-	2,000	120	120	-	0.03	0.03	0.00
Technology & Communication												
Pakistan Telecommunication Company Lin Systems Limited	10	140,017	-	-	-	140,017	1,158	1,311	153	0.29	0.29	0.00
TRG Pakistan Limited	10	14,300	4,000	-	300	18,000	1,755	2,237	482	0.50	0.50	0.01
	10	108,855	19,000	-	-	127,855	2,191	3,139	948	0.70	0.70	0.02
							5,104	6,687	1,583			
Textile Composite												
Azgard Nine Limited	10	-	80,000	-	-	80,000	729	1,001	272	0.22	0.22	0.02
Feroze 1888 Mills Limited	10	-	15,500	-	-	15,500	1,465	1,426	(39)	0.32	0.32	0.00
Gul Ahmed Textile Mills Limited	10	24,000	-	4,800	-	28,800	1,131	1,242	111	0.28	0.28	0.01
Kohinoor Textile Mills Limited	10	49,695	4,000	-	-	53,695	1,388	2,098	710	0.47	0.47	0.02
Nishat (Chunian) Limited	10	23,830	-	-	-	23,830	835	1,016	182	0.23	0.23	0.01
Nishat Mills Limited	10	35,847	2,500	-	-	38,347	3,606	4,070	464	0.91	0.91	0.01
							9,154	10,853	1,700			
Textile Spinning												
Gadoon Textile Mills Limited	10	1,500	-	-	1,500	-	-	-	-	-	-	0.00
Indus Dyeing & Manufacturing Company L	10	-	600	-	-	600	324	336	12	0.08	0.08	0.00
							324	336	12			
Textile Weaving												
Shahtaj Textile Limited	10	426	-	-	-	426	41	61	20	0.01	0.01	0.00
Tobacco												
Pakistan Tobacco Company Limited	10	2,900	200	-	-	3,100	7,763	7,566	(198)	1.70	1.70	0.00
Philip Morris (Pakistan) Limited	10	680	140	-	-	820	2,777	2,049	(728)	0.46	0.46	0.00
							10,540	9,615	(926)			
Transport												
Pakistan International Bulk Terminal Limited	10	230,935	-	-	20,000	210,935	1,780	2,280	500	0.51	0.51	0.01
Vanaspati & Allied Industries												
Unity Foods Limited	10	39,774	-	-	500	39,274	405	633	228	0.14	0.14	0.01
Woollen												
Bannu Woollen Mills Limited	10	500	-	-	-	500	17	17	-	0.00	0.00	0.01
Total listed equity securities as at December 31, 2019							385,101	445,613	60,516			
Total listed equity securities as at June 30, 2019							468,670	365,421	(103,249)			

* This includes 100,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

	Note	(Unaudited) December 31, 2019 ----- (Rupees in '000) -----	(Audited) June 30, 2019 -----
5.2 Net unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss'			
Market value of investments	5.1	445,613	365,421
Carrying amount of investments	5.1	(385,101)	(468,670)
		60,512	(103,249)
6. DIVIDEND AND PROFIT RECEIVABLE ON BANK DEPOSITS			
Dividend receivable		106	655
Profit receivable on bank balances		75	98
		181	753
7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Security deposits with			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		100	100
Prepayments			
- Prepaid PSX annual listing fee		14	-
Other receivables	7.1	24	24
		2,638	2,624

- 7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2018, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) /2008-VOL.II - 66417- R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. Entire amount of other receivables include tax withheld on profit on debt amounts.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on profit on debt has been shown as other receivables as at December 31, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	(Unaudited) December 31, 2019	(Audited) June 30, 2019
Note	----- (Rupees in '000) -----	
8. PAYABLE TO MANAGEMENT COMPANY		
Remuneration	8.1 285	235
Sales tax on management fees	8.2 37	31
Expenses allocated by the management company	8.3 189	31
Federal Excise Duty on Management Company	8.4 1357	1,357
Others	3	2
	1,871	1,656

8.1 The Management Company charged remuneration at the rate of 0.75 percent per annum (June 30, 2019: 0.75 percent per annum) of the average daily net assets of the Fund. The remuneration is paid to Management Company on a monthly basis in arrears.

8.2 Sindh sales tax at the rate of 13% (June 30, 2019: 13%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

8.3 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 the periods i.e. from July 1, 2019 to December 31, 2019."

8.4 "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 amounting to Rs 1.357 million is being retained in the condensed interim financial information of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at December 31, 2019 would have been higher by Re 0.0416 per unit (June 30, 2019: Re 0.0407 per unit).

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		(Unaudited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
9. PAYABLE TO THE TRUSTEE			
Trustee fee	9.1	80	63
Sindh Sales Tax	9.2	10	8
		90	71

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

Net assets upto 1 billion

Rs. 0.2% per annum of the daily average net assets of the Fund.

Net assets upto 1 billion

Rs. 2 million plus 0.1% per annum of the daily average net assets of the Fund.

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

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to SECP	10.1	38	402

10.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a Collective Investment Scheme categorised as a equity scheme was required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.095 percent of the average annual net assets of the scheme. However, as per S.R.O. 685(i) / 2019 dated June 28, 2019, effective from July 01, 2019, all categories of Collective Investment Schemes are now required to pay annual fee at an amount equal to 0.02 percent of the average annual net assets of the scheme. The fee is payable annually in arrears.

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Brokerage payable		67	24
Auditors' remuneration		400	266
Printing charges payable		163	100
Provision for Sindh Workers Welfare Fund	11.1	3,595	2,179
Unclaimed dividend		3,728	3,728
Others		223	187
		8,176	6,484

- 11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.5 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the SWWF not been provided for the period, the NAV per unit of Fund would have been higher by Re 0.1064 (June 30, 2019: Re 0.0654).

12. TOTAL EXPENSE RATIO

The total expense ratio of the Fund is 1.14% (December 31, 2018: 0.76%) and this includes 0.45% (December 31, 2018: 0.11%) representing Government levy and SECP fee. This ratio is within the maximum limit of 2.5% (December 31, 2018: 2.0%) prescribed under the NBFC Regulations for a Collective Investment Scheme categorized as a Index Scheme.

13. CONTINGENCIES AND COMMITMENTS

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

14. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11 A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Supertax introduced in Finance Act, 2015 is also not applicable on funds (Section 48 of Income Tax Ordinance, 2001). The management intends to distribute the income earned by the Fund during the year to the unit holders in cash in the manner as explained above, accordingly, no provision for current and deferred tax has been made in this condensed financial information.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund includes the Management Company, other Collective Investment Schemes managed by the Management Company, the Trustee, AKD Securities Limited, directors, officers, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out an agreed terms at contracted rates.

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Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and constitutive documents of the Fund.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:

	(Un-audited) For the half year ended December 31, 2019	(Audited) December 31, 2018
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration for the period	1,419	1,672
Sindh Sales tax on Management Company's Remuneration	184	217
Allocated expenses by the Management Company	189	223
Sales Load	1	2
AKD Securities Limited - Brokerage House		
Commission paid on purchase and sale of marketable securities	6	-
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)		
Units issued : Nil (2018: 926,031)	-	12,881
Dividend paid	-	14,721
AKD Investment Management Limited Staff Provident Fund		
Units issued : Nil (2018: 177,910)	-	2,261
Redemption of units : 229,938 (2018: 374,985)	3,043	5,009
Dividend paid	-	161
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee	382	446
Central Depository Service charges	6	2
Sindh Sales Tax on Trustee Fee and CDS Charges	49	58

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	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
Balances outstanding at the period / year end	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration payable	285	235
Allocated expenses by management company payable	189	31
Payable to Management Company - Others	1	1
Sindh sales tax payable on Management Company's remuneration	37	31
Federal Excise Duty payable on Management Company's remuneration	1,357	1,357
Sales Load payable	2	1
Payable to Central Depository Company of Pakistan - Trustee		
Remuneration payable	78	62
Security deposit	100	100
CDS charges payable	2	1
Sales tax CDS charges & Trustee Fee payable	10	8
AKD Securities Limited - Brokerage House		
Commission Payable on purchase and sale of marketable securities	7	-
Mr. Aqeel Karim Dhedhi - Chairman of the Group		
Units outstanding - 390 (30 June 2019: 390) units	5	4
AKD Investment Management Limited Staff Provident Fund		
Number of units outstanding : 229,937 (30 June 2019: 459,875)	3,031	5,117
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 88.51% of the total units in issue as at the period end) (30 June 2019 : 29,898,676 (89.72% of the total units in issue as at the year end))	394,124	332,656

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

		December 31, 2019 (Un-audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	----- (Rupees in '000) -----						
Financial assets measured at fair value								
Investments		445,613	-	445,613	444,955	658	-	445,613
Financial assets not measured at fair value	16.1							
Bank balances		-	7,034	7,034				
Dividend and profit receivable on bank deposits		-	181	181				
Deposits, prepayments and other receivables		-	2,638	2,638				
		-	9,853	9,853				
Financial liabilities not measured at fair value	16.1							
Payable to the Management Company		-	1,871	1,871				
Payable to the Trustee		-	90	90				
Payable to Securities and Exchange Commission of Pakistan		-	38	38				
Accrued expenses and other liabilities		-	8,176	8,176				
			10,175	10,175				
		----- (Rupees in '000) -----						
		Carrying amount			Fair Value			
		Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments		----- (Rupees in '000) -----						
Financial assets measured at fair value								
Investments		365,421	-	365,421	365,421	-	-	365,421
Financial assets not measured at fair value	16.1							
Bank balances		-	10,605	10,605				
Dividend and Profit receivable on bank deposits		-	753	753				
Deposits, prepayments and other receivables		-	2,624	2,624				
		-	13,982	13,982				
Financial liabilities not measured at fair value	16.1							
Payable to the Management Company		-	1,656	1,656				
Payable to Trustee		-	71	71				
Payable to Securities and Exchange Commission of Pakistan		-	402	402				
Accrued expenses and other liabilities		-	6,484	6,484				
		-	8,613	8,613				

16.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 21, 2020.

18. GENERAL

18.1 Figures have been rounded off to the nearest thousand rupees.

18.2 This condensed interim financial information is unaudited and have been reviewed by the auditors. Further, the figures of the condensed interim income statement and statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed.

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

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director



**AKD Investment
Management Ltd.**

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