

Funds Managed by:
AKD Investment Management Ltd.

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



half yearly report



Partner with AKD
Profit from the
Experience



**AKD Investment
Management Ltd.**

TABLE OF CONTENTS

02 Corporate Information

03 Vision

04 Mission Statement

05 Report of the Directors of the Management Company

09 AKD Opportunity Fund - Financial Information First Half FY19

43 AKD Index Tracker Fund - Financial Information First Half FY19

75 AKD Cash Fund - Financial Information First Half FY19

101 AKD Aggressive Income Fund - Financial Information First Half FY19

135 AKD Islamic Income Fund - Financial Information First Half FY19

167 AKD Islamic Stock Fund - Financial Information First Half FY19

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman

Mr. Abdul Karim

Director & Chief Executive Officer

Mr. Imran Motiwala

Directors

Ms. Anum Dhedhi

Mr. Ali Wahab Siddiqui

Mr. Hasan Ahmed

Mr. Saim Mustafa Zuberi

Ms. Aysha Ahmed

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)

Mr. Hasan Ahmed (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

Ms. Aysha Ahmed (Chairman)

Mr. Abdul Karim (Member)

Mr. Imran Motiwala (Member)

Ms. Anum Dhedhi (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING

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

**CORPORATE
INFORMATION**

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

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

AKD Index Tracker Fund (AKDITF)

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

AKD Cash Fund (AKDCF)

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

AKD Aggressive Income Fund (AKDAIF)

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

AKD Islamic Income Fund (AKDISIF)

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

AKD Islamic Stock Fund (AKDISSF)

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

MACRO PERSPECTIVE

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

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

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

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

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

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

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

MONEY MARKET REVIEW

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

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

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

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

FUTURE OUTLOOK

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

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

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

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

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

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Abdul Karim
Chairman

Karachi: February 22, 2019.

AKD Opportunity Fund

Financial Information - First Half FY19

Contents

- 10 Fund Information**
- 11 Fund Manager's Report**
- 16 Trustee Report to the Unit Holders**
- 17 Reports on Review of Condensed Interim Financial Information to the Unit Holders**
- 18 Condensed Interim Statement of Assets and Liabilities**
- 19 Condensed Interim Income Statement**
- 20 Condensed Interim Statement of Comprehensive Income**
- 21 Condensed Interim Statement of Movement in Unit Holders' Fund**
- 22 Condensed Interim Cash Flow Statement**
- 23 Notes to the Condensed Interim Financial Information**

AKD Opportunity 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
Bank Al Habib Limited
BankIslami Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Soneri Bank Limited
Summit 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,
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
AKD Securities Limited
BMA Capital Management Limited
IGI Investment (Private) Limited
Investomate (Private) Limited
Foundation Securities (Private) Limited
First Street Capital (Private) Limited
Savings Lounge (Pvt.) Limited
Finox (Private) Limited
4 Sight Investments

RATING - AKDOF

BY PACRA
Performance Ranking

Long-term

4-Star (3 & 5 Years)

Short-term

3-Star (1 Year)

FUND MANAGER'S REPORT

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

Open - end Equity Scheme

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

The investment objective of the Fund is to invest in the capital markets, searching for the optimal combination of investment strategies, mainly in equities, followed by fixed income and money market as contingent defensive strategy.

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

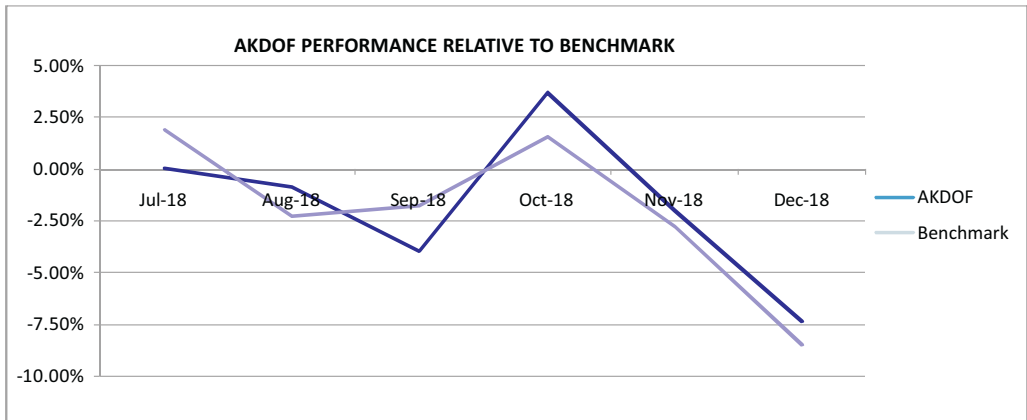
For the 1HFY19, the return of AKD Opportunity Fund stood at -10.22% compared to the benchmark KSE-100 Index return of -11.56%.

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

KSE-100 Index

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

Monthly yield	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
AKDOF	0.06%	-0.87%	-3.94%	3.72%	-1.96%	-7.33%
Benchmark	1.91%	-2.27%	-1.78%	1.59%	-2.77%	-8.47%



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

AKD Opportunity Fund is an open - end equity scheme; the return of the Fund is generated through investment in value stocks which have strong growth potential. AKDOF is fully complied with the relevant policies and procedures as per Fund's regulatory requirements.

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

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

Asset Allocation (% of Total Assets)	31-Dec-18	30-Sep-18
Equities	98.64%	98.93%
Cash	0.93%	0.77%
Other Assets	0.43%	0.31%

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

1H FY19 Return	-10.22%
Benchmark Return	-11.56%

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

Net Asset Value			NAV Per Unit	
31-Dec-18	30-Sep-18	Change in Net Assets	31-Dec-18	30-Sep-18
(Rupees In "000")			Rs.	Rs.
2,063,006	2,358,308	-12.52%	74.39	78.93

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

MACRO PERSPECTIVE

The newly elected Government continued to face severe challenges in 1H FY19 (July-December), as the country remained under the shadow of political uncertainty, degradation from global money-laundering watchdog (FATF) over regulatory concerns, and large twin deficits (fiscal and current).

The Current Account Deficit (CAD) for 1H FY19 stood at \$7.983 billion (5.4% of GDP) as compared to \$8.353 billion in the same period last year (SPLY), exhibiting a decline of 4.43% YoY. This improved performance was on the back of an increase in exports of goods by 0.08% YoY to \$11.840 billion from \$11.831 billion, along with an increase in remittances, which increased by 10% YoY to \$10.718 billion from \$9.744 billion. However, imports of goods increased by 5.87%, from \$12.993 billion to \$13.756 billion, which combined with swelling debt servicing, eroded the foreign exchange reserves by 31.8% YoY to \$13.57 billion.

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

As per the Pakistan Bureau of Statistics (PBS), during the 1H FY19, average Consumer Price Index (CPI) was recorded at 6.05%, compared to 3.75% same period last year. Average Core Inflation, calculated by non-food and non-energy CPI, clocked in at an alarming 8.03%, compared to 5.47% same period last year. Moreover, the State Bank of Pakistan (SBP) had upward revised its target of CPI between 6.5-7.5% for FY19, in its Monetary Policy Statement (MPS) on 30th November 2018, on the basis of higher international oil prices, further PKR/USD devaluation

and increase in gas tariffs. Due to this higher expected inflation, and burgeoning twin deficits, SBP further increased the policy rate by 150 bps, to 10%, effective from 3rd December 2018. The Agriculture sector is expected to underperform, and remain below its target in FY19, due to the increasing water crisis, which is likely to hamper agricultural output production. The slowdown in the services sector, along with manufacturing sector has caused the SBP to expect a real GDP growth of approximately 4% for FY19.

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

FUTURE OUTLOOK

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

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

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

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

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

xi) 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 Fund Manager's report, not otherwise disclosed in the financial statements:

There were no significant changes in the state of affairs during the period and up till the date of Fund Manager's report under review.

xii) Disclosure of any split (if any), comprising:

There were no unit splits during the period.

xiii) Break down of unit holding size:

Range (Units)	No. of Investors
0.1 - 9,999	1375
10,000 - 49,999	174
50,000 - 99,999	32
100,000 - 499,999	33
500,000 and above	9
Total	1623

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

Investments are subject to credit and market risk.

xv) 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 broker or dealer by virtue of transactions conducted by the Collective Investment Scheme.

TRUSTEE REPORT TO THE UNIT HOLDERS

AKD OPPORTUNITY 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 Opportunity Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2018 in accordance with the provisions of the following:

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

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2019

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

Introduction

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

Scope of Review

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

Conclusion

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

Other Matters

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

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

		31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
Assets	Note		
Bank balances	4	20,286	13,444
Investments	5	2,141,540	2,563,917
Receivable against sale of investment (subsequently cleared)		6,138	-
Dividend, prepayment, profit and other receivable	6	579	3,997
Security deposits		2,600	2,600
Total assets		2,171,143	2,583,958
Liabilities			
Remuneration payable to the Management Company	7	3,657	4,359
Remuneration payable to the Trustee	8	264	298
Annual fee payable to Securities and Exchange Commission of Pakistan	9	1,152	2,621
Payable against purchase of investments (subsequently paid)		8,223	3,135
Amount payable on redemption of units		55,161	51,784
Accrued expenses and other liabilities	10	39,425	39,631
Unclaimed dividend		255	255
Total liabilities		108,137	102,083
Contingencies and commitments	12		
Net assets		2,063,006	2,481,875
Unit holders' fund (as per statement attached)		2,063,006	2,481,875
		(Number of Units)	
Number of units in issue	13	27,733,398	29,954,704
		(Rupees)	
Net assets value per unit (face value per unit Rs. 50/-)		74.39	82.85

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2018

	Six months period ended 31 December		Three months period ended 31 December	
	2018	2017	2018	2017
Note -----(Rupees in '000)-----				
Income				
Gain / (loss) on sale of investments - net	69,845	9,426	56,007	(1,986)
Dividend income	40,618	46,041	33,866	37,701
Profit on bank balances	1,346	2,916	651	1,282
Unrealized diminution in the fair value of investments classified as 'financial assets at fair value through profit or loss' - net	(321,382)	(463,163)	(202,511)	(335,681)
	(209,573)	(404,780)	(111,987)	(298,684)
Expenses				
Remuneration to the Management Company	24,250	27,722	11,718	12,977
Remuneration to the Trustee	1,717	1,890	838	901
Annual fee to the Securities and Exchange Commission of Pakistan	1,152	1,317	557	617
Allocated expenses	1,213	1,386	587	649
Securities transaction cost	2,077	1,527	1,290	876
Auditors' remuneration	124	205	48	129
Bank charges	22	27	8	13
Other expenses	14 3,955	4,450	1,881	2,086
	34,510	38,524	16,927	18,248
Net loss for the period before taxation	(244,083)	(443,304)	(128,914)	(316,932)
Taxation	15 -	-	-	-
Net loss for the period after taxation	(244,083)	(443,304)	(128,914)	(316,932)
Allocation of net income for the period:				
Net income for the period after taxation	-	-	-	-
Income already paid on units redeemed	-	-	-	-
Accounting income available for distribution				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-
	-	-	-	-

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

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

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

	Six months period ended 31 December		Three months period ended 31 December	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Net loss for the period	(244,083)	(443,304)	(128,914)	(316,932)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(244,083)</u>	<u>(443,304)</u>	<u>(128,914)</u>	<u>(316,932)</u>

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

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

	Six months period ended 31 December					
	2018			2017		
	----- (Rupees in '000) -----					
	Capital value	Undistribut ed income	Net assets	Capital value	Undistribut ed income	Net assets
Net assets at beginning of the period	1,933,971	547,904	2,481,875	2,160,659	939,844	3,100,503
Issue of 18,279,405 units (2017: 15,643,516 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,514,527	-	1,514,527	1,498,567	-	1,498,567
- Element of income	(56,911)	-	(56,911)	(119,288)	-	(119,288)
Total proceeds on issuance of units	1,457,616	-	1,457,616	1,379,279	-	1,379,279
Redemption of 20,500,711 units (2017: 16,634,356 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,698,572	-	1,698,572	1,593,485	-	1,593,485
- Element of income	(66,170)	-	(66,170)	(111,862)	-	(111,862)
Total payments on redemption of units	1,632,402	-	1,632,402	1,481,623	-	1,481,623
Total comprehensive loss for the period	-	(244,083)	(244,083)	-	(443,304)	(443,304)
Distribution during the period	-	-	-	-	-	-
Net loss for the period less distribution	-	(244,083)	(244,083)	-	(443,304)	(443,304)
	1,759,185	303,821	2,063,006	2,058,315	496,540	2,554,855
Undistributed income brought forward						
- Realized income		939,338			858,262	
- Unrealized (loss) / income		(391,434)			81,582	
		<u>547,904</u>			<u>939,844</u>	
Net loss for the period after taxation		(244,083)			(443,304)	
Distribution during the period		-			-	
Undistributed gain carried forward		<u>303,821</u>			<u>496,540</u>	
Undistributed gain carried forward						
- Realized income		625,203			959,703	
- Unrealized loss		(321,382)			(463,163)	
		<u>303,821</u>			<u>496,540</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>82.85</u>			<u>95.79</u>
Net assets value per unit at end of the period			<u>74.39</u>			<u>81.43</u>

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

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2018

	Six months period ended 31 December		Three months period ended 31 December	
	2018	2017	2018	2017
------(Rupees in '000)-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	(244,083)	(443,304)	(128,914)	(316,932)
Adjustments for:				
Net unrealized diminution in the fair value of investments classified as 'financial assets at fair value through profit or loss' - net	321,382	463,163	202,511	335,681
	77,299	19,859	73,597	18,749
Decrease / (increase) in assets				
Investments	100,995	106,881	32,811	(67,725)
Dividend, prepayment, profit and other receivable	3,418	18,222	4,193	2,901
Amount receivable on sale of Investment	(6,138)	(8,723)	(6,138)	(21,353)
	98,275	116,380	30,866	(86,177)
(Decrease) / increase in liabilities				
Remuneration payable to the Management Company	(702)	(1,312)	(318)	(1,577)
Remuneration payable to the Trustee	(34)	(63)	(14)	(96)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(1,469)	(1,282)	557	617
Payable against purchase of investments	5,088	(928)	7,690	-
Payable on redemption of units	3,377	(27,638)	55,161	(27,638)
Accrued expenses and other liabilities	(206)	(36,889)	693	(844)
Unclaimed dividend	-	(7)	-	-
	6,054	(68,119)	63,769	(29,538)
Net cash generated from / (used in) operating activities	181,628	68,120	168,232	(96,966)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received on issuance of units	1,457,616	1,379,279	916,541	576,499
Cash paid on redemption of units	(1,632,402)	(1,481,623)	(1,082,929)	(594,074)
Net cash used in financing activities	(174,786)	(102,344)	(166,388)	(17,575)
Net increase / (decrease) in cash and cash equivalents during the period	6,842	(34,224)	1,844	(114,541)
Cash and cash equivalents at beginning of the period	13,444	94,169	18,442	174,486
Cash and cash equivalents at end of the period	20,286	59,945	20,286	59,945

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

AKD Opportunity Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules). The fund is governed under the Rules and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). It has been constituted under the trust deed, dated 19 December 2005, between AKD Investment Management Limited (AKDIML) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed on 7 December 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 19 December 2005 in accordance with the Rules. Accordingly title to the assets of the fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the fund. The fund is registered as a notified entity under the Regulations.

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 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

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

The fund is categorized as Equity Scheme as per circular 7 of 2009 by SECP. As per the circular, the Fund shall invest at least 70% of its net assets in listed equity securities and the remaining net assets shall be invested in cash or near cash instruments which include cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 days maturity.

The Pakistan Credit Rating Company Limited (PACRA) has assigned asset manager rating of 'AM3++' to the Management Company dated August 10, 2018. PACRA has also assigned performance ranking of "MFR 3-Star" to the Fund in performance period of 1 year, "MFR 4-Star" in 3 year and 5 year category on October 31, 2018.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

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

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

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

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

IFRS 9 introduced new requirements for:

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

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

(a) Classification and measurement of financial assets

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

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

Specifically:

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

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

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

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

- there is no change in the measurement of the Fund's investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL;

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

(b) Impairment of financial assets

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

(c) Classification and measurement of financial liabilities

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

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

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

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

There were no financial assets or financial liabilities under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9.

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

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

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

	Note	31 December	30 June
		2018	2018
4 BANK BALANCES			
		(Unaudited)	(Audited)
		(Rupees in '000)	
Profit and loss sharing accounts	4.1	20,131	13,287
Current accounts		155	157
		<u>20,286</u>	<u>13,444</u>

4.1 These represents profit and loss sharing accounts maintained with various banks carrying profit at the rate ranging from 8.00 % to 8.60% (30 June 2018: 4.5% to 6%) per annum.

	Note	31 December	30 June
		2018	2018
5 INVESTMENTS			
		(Unaudited)	(Audited)
		(Rupees in '000)	
Investments in securities at fair value through profit or loss			
Listed equity securities	5.1	2,141,540	2,563,917
		<u>2,141,540</u>	<u>2,563,917</u>

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

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at December 31, 2018	Cost as of the period ended December 31, 2018	Carrying value (before revaluation as of the period ended December 31, 2018)	Market value as of the period ended December 31, 2018 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000') -----			----- (Percentage) -----		
AUTOMOBILE ASSEMBLER											
Atlas Honda Limited	100,000	-	-	-	100,000	35,687	51,000	37,500	1.75	1.82	0.10
Ghandhara Industries Limited	-	25,000	-	-	25,000	9,375	9,375	6,869	0.32	0.33	0.06
Ghandhara Nissan Limited	126,665	-	-	-	126,665	24,844	22,758	12,037	0.56	0.58	0.22
Honda Atlas Cars (Pakistan) Limited	50	-	-	-	50	27	16	9	-	-	-
Millat Tractors Limited	3,000	-	-	3,000	-	-	-	-	-	-	-
						69,933	83,149	56,415			
AUTOMOBILE PARTS & ACCESSORIES											
General Tyre & Rubber Company Of Pakistan Limited	23,700	-	16,590	-	40,290	5,545	3,939	3,257	0.15	0.16	0.04
Thal Limited (Face value of Rs.5/- each)	275,500	-	-	-	275,500	60,954	131,560	117,820	5.50	5.71	0.34
						66,499	135,499	121,077			
CABLE & ELECTRICAL GOODS											
Pakistan Cables Limited	458,625	6,500	-	-	465,125	80,943	87,003	64,722	3.02	3.14	1.31
						80,943	87,003	64,722			
CEMENT											
D. G. Khan Cement Company Limited	-	250,000	-	200,000	50,000	4,449	4,449	4,007	0.19	0.19	0.01
Dewan Cement Limited	1,305,000	-	-	1,305,000	-	-	-	-	-	-	-
Javedan Corporation Limited (Note 5.3)	7,319,000	-	585,520	291,000	7,613,520	240,946	252,374	239,826	11.20	11.63	2.64
						245,395	256,823	243,833			
CHEMICALS											
Akzo Nobel Pakistan Limited	6,200	-	-	-	6,200	1,516	1,158	954	0.04	0.05	0.01
Archroma Pakistan Limited	2,850	-	-	2,850	-	-	-	-	-	-	-
Biafo Industries Limited	222,709	-	41,041	49,800	213,950	29,071	57,050	45,839	2.14	2.22	0.81
Buxly Paints Limited	31,500	-	-	-	31,500	1,356	2,940	1,480	0.07	0.07	2.19
Dynea Pakistan Limited (Face value of Rs.5/- each)	20,000	-	-	20,000	-	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	3,175,586	2,160,000	-	5,335,586	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	11,912,500	-	-	11,912,500	-	-	-	-	-	-	-
Nimir Industrial Chemical Limited	109,624	-	-	-	109,624	5,476	7,510	6,905	0.32	0.33	0.10
						37,419	68,658	55,178			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at December 31, 2018	Cost as of the period ended December 31, 2018	Carrying value (before revaluation as of the period ended December 31, 2018)	Market value as of the period ended December 31, 2018 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	(Number of Shares)				(Rupees in '000')			(Percentage)			
COMMERCIAL BANKS											
Allied Bank Limited	92,200	-	-	92,200	-	-	-	-	-	-	-
Bank Islami Pakistan Limited	11,401,567	3,552,000	-	31,000	14,922,567	166,960	178,502	179,071	8.36	8.68	1.48
Faysal Bank Limited	1,050,000	-	-	1,050,000	-	-	-	-	-	-	-
Habib Bank Limited	190,000	879,800	-	524,100	545,700	73,793	74,156	65,730	3.07	3.19	0.04
National Bank Of Pakistan	-	744,000	-	-	744,000	37,644	37,644	31,270	1.46	1.52	0.03
Samba Bank Limited	412,000	-	-	-	412,000	1,957	3,152	3,312	0.15	0.16	0.04
Summit Bank Limited	12,132,000	-	-	-	12,132,000	35,851	26,084	9,948	0.46	0.48	0.46
United Bank Limited	-	125,000	-	125,000	-	-	-	-	-	-	-
						316,205	319,538	289,331			
ENGINEERING											
Aisha Steel Mills Limited	5,225,000	-	-	225,000	5,000,000	84,961	78,850	52,500	2.45	2.54	0.65
Dost Steel Limited	46,500	-	-	-	46,500	583	368	259	0.01	0.01	0.01
International Industries Limited	200	-	-	-	200	56	46	31	-	-	-
Pakistan Engineering Company Limited	6,900	-	-	-	6,900	2,401	1,699	1,000	0.05	0.05	0.12
						88,001	80,963	53,790			
FERTILIZER											
Arif Habib Corporation Limited	75,000	-	-	75,000	-	-	-	-	-	-	-
Engro Corporation Limited	50,000	25,000	-	10,000	65,000	18,087	20,442	18,920	0.88	0.92	0.01
						18,087	20,442	18,920			
FOOD & PERSONAL CARE-PRODUCTS											
Al Shaheer Corporation Limited	-	2,472,000	-	-	2,472,000	63,768	63,768	59,155	2.76	2.87	1.74
Fauji Foods Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
Murree Brewery Company Limited	36,650	3,300	-	39,950	-	-	-	-	-	-	-
National Foods Limited	-	350,000	-	-	350,000	68,150	68,150	68,425	3.20	3.32	0.28
Quice Food Industries Limited	5,378,000	-	-	-	5,378,000	40,259	26,890	23,932	1.12	1.16	5.46
Treet Corporation Limited	154,395	-	-	41,000	113,395	7,716	3,877	2,621	0.12	0.13	0.07
						179,893	162,685	154,133			
GLASS & CERAMICS											
Balochistan Glass Limited	1,300,000	-	-	-	1,300,000	9,076	13,702	10,010	0.47	0.49	0.50
Ghani Glass Limited	47,500	-	14,250	-	61,750	3,969	3,072	2,992	0.14	0.15	0.01
						13,045	16,774	13,002			
INSURANCE											
Askari General Insurance Company Limited	706,355	-	-	-	706,355	22,331	19,071	18,294	0.85	0.89	1.13
EFU General Insurance Limited	557,000	-	-	-	557,000	89,187	83,400	55,700	2.60	2.70	0.28
Pakistan Reinsurance Company Limited	239,000	-	-	-	239,000	10,862	7,858	8,303	0.39	0.40	0.08
TPL Insurance Limited	71,148	-	9,249	-	80,397	686	1,527	1,761	0.08	0.09	0.09
						123,066	111,856	84,058			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at December 31, 2018	Cost as of the period ended December 31, 2018	Carrying value (before revaluation as of the period ended December 31, 2018)	Market value as of the period ended December 31, 2018 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	(Number of Shares)					(Rupees in '000')			(Percentage)		
INVESTMENT BANK/INV.COS/SEC COS.											
Jahangir Siddiqui Co.Limited	5,500,000	-	-	-	5,500,000	133,553	100,045	85,525	3.99	4.15	0.60
JS Investments Limited	3,158,000	10,000	-	-	3,168,000	55,844	29,481	25,344	1.18	1.23	3.95
Pakistan Stock Exchange Limited	6,176,121	1,475,500	-	-	7,651,621	194,770	148,919	103,832	4.85	5.03	0.95
						384,167	278,445	214,701			
MISCELLANEOUS											
TPL Properties Limited	2,500,000	-	492,500	-	2,992,500	31,250	23,250	24,838	1.16	1.20	1.04
Tri-Pack Films Limited	50,000	-	-	-	50,000	13,491	6,850	5,354	0.25	0.26	0.13
						44,741	30,100	30,192			
OIL & GAS EXPLORATION COMPANIES											
Oil & Gas Development Company Limited	94,900	-	-	94,900	-	-	-	-	-	-	-
Pakistan Petroleum Limited	88,000	-	-	88,000	-	-	-	-	-	-	-
						-	-	-			
OIL & GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	95,000	-	19,000	70,000	44,000	13,288	11,671	9,919	0.46	0.48	0.01
						13,288	11,671	9,919			
PAPER AND BOARD											
Pakistan Paper Products Limited	85,500	-	28,500	-	114,000	7,588	10,269	15,247	0.71	0.74	1.43
						7,588	10,269	15,247			
PHARMACEUTICALS											
GlaxoSmithKline Pakistan Limited	230,200	-	-	-	230,200	61,463	38,213	25,939	1.21	1.26	0.07
The Searle Company Limited	79,432	-	11,914	-	91,346	45,118	26,967	22,433	1.05	1.09	0.04
						106,581	65,180	48,372			
POWER GENERATION & DISTRIBUTION											
Japan Power Generation Limited (Note 5.4)	4,261,500	-	-	-	4,261,500	21,980	-	-	-	-	2.73
K-Electric Limited (Face value of Rs.3.5/- each)	32,700,000	1,311,500	-	3,958,500	30,053,000	237,335	169,839	178,515	8.34	8.65	0.11
Nishat Chunian Power Limited	200,000	-	-	-	200,000	5,900	5,628	4,700	0.22	0.23	0.05
						265,215	175,467	183,215			
REFINERY											
Attock Refinery Limited	-	220,000	-	220,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	200,500	-	-	200,500	-	-	-	-	-	-	-
						-	-	-			
SUGAR & ALLIED INDUSTRIES											
Imperial Sugar Limited	141,500	-	-	-	141,500	4,511	3,811	3,113	0.15	0.15	0.14
						4,511	3,811	3,113			
SYNTHETICS AND RAYON											
Pakistan Synthetics Limited	508,000	-	-	-	508,000	16,334	12,746	12,954	0.60	0.63	0.91
						16,334	12,746	12,954			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at December 31, 2018	Cost as of the period ended December 31, 2018	Carrying value (before revaluation as of the period ended December 31, 2018)	Market value as of the period ended December 31, 2018 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000') -----			----- (Percentage) -----		
TECHNOLOGY & COMMUNICATION											
Hum Network Limited	3,060,000	-	-	-	3,060,000	35,033	24,755	13,464	0.63	0.65	0.32
Pakistan Telecommunication Company Limited	2,650,000	-	-	150,000	2,500,000	42,550	28,600	24,025	1.12	1.16	0.07
Systems Limited	100,000	-	-	100,000	-	-	-	-	-	-	-
TPL Corp Limited	385,500	-	-	-	385,500	5,324	2,629	2,324	0.11	0.11	0.18
TRG Pakistan Limited (Note 5.2)	7,120,745	1,600,000	-	-	8,720,745	193,640	245,703	194,472	9.08	9.43	1.60
Worldcall Telecom Limited	-	1,000,000	-	-	1,000,000	1,800	1,800	1,390	0.06	0.07	0.08
						278,347	303,487	235,675			
TEXTILE COMPOSITE											
Dawood Lawrencepur Limited	-	50,000	-	-	50,000	8,500	8,500	8,203	0.38	0.40	0.08
Gul Ahmed Textile Mills Limited	583,500	-	-	83,500	500,000	22,239	21,465	23,085	1.08	1.12	0.14
Nishat Mills Limited	300,000	-	-	100,000	200,000	28,786	28,184	25,306	1.18	1.23	0.06
						59,525	58,149	56,594			
TEXTILE SPINNING											
Colony Textile Mills Limited	400,000	-	-	-	400,000	2,375	1,444	1,304	0.06	0.06	0.08
Crescent Fibres Limited	37,000	-	-	-	37,000	1,038	944	1,298	0.06	0.06	0.30
Ellicot Spinning Mills Limited	649,138	17,500	-	-	666,638	52,930	47,856	51,331	2.40	2.49	6.09
Fazal Cloth Mills Limited	600	-	-	-	600	56	90	108	0.01	0.01	-
Gadoon Textile Mills Limited	64,900	-	-	29,900	35,000	8,438	8,820	9,385	0.44	0.45	0.12
Island Textile Mills Limited	34,950	-	-	-	34,950	8,964	41,940	59,048	2.76	2.86	6.99
Premium Textile Mills Limited	-	10,000	-	-	10,000	2,500	2,500	2,250	0.11	0.11	0.16
Saif Textile Mills Limited	141,000	-	-	-	141,000	2,529	2,468	2,441	0.11	0.12	0.53
						78,830	106,062	127,165			
TEXTILE WEAVING											
Samin Textiles Limited	53,500	-	-	-	53,500	440	225	245	0.01	0.01	0.20
						440	225	245			
VANASPATI & ALLIED INDUSTRIES											
Punjab Oil Mills Limited	203,900	-	-	500	203,400	51,901	57,660	44,634	2.08	2.16	3.77
S.S. Oil Mills Limited	156,500	-	-	-	156,500	6,066	6,260	5,055	0.24	0.25	2.77
						57,967	63,920	49,689			
Total as at December 31, 2018						2,556,020	2,462,922	2,141,540			
Total as at June 30, 2018						2,656,654	2,955,351	2,563,917			

- 5.2** This includes 2,500,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.
- 5.3** The exposure limit of investment in a single company as a percentage of net assets exceeded by 1.63% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.
- 5.4** The PSX, in exercise of the powers vested in the Exchange under Section 19(7) of the Securities Act, 2015 and the PSX Regulations; placed the M/s Japan Power Generation Limited in the Defaults' Segment and suspended trading in its shares for a period of 60 days w.e.f. December 18, 2017.

	31 December 2018	30 June 2018
6 DIVIDEND, PREPAYMENT, PROFIT AND OTHER RECEIVABLE	Note (Unaudited)	(Audited)
	(Rupees in '000)	
Unsecured-considered good		
- Mark-up on bank balances	229	121
- Dividend receivable	161	3,701
Advance Tax- Dividend	141	141
Bank profit	34	34
Prepayments	14	-
	579	3,997

7 REMUNERATION TO THE MANAGEMENT COMPANY

The Management Company is entitled to remuneration for services rendered to the Equity Fund under the provisions of the amended NBFC Regulations dated November 25, 2015, of an amount not exceeding 2 percent of the average daily net assets of the Fund. The Management Company charged remuneration at the rate of 2 percent per annum of the average daily net assets of the Fund during the period (2018: 2%).

	31 December 2018	30 June 2018
	Note (Un-audited)	(Audited)
	(Rupees in '000)	
Balance at beginning of the year	4,359	5,541
Remuneration for the period / year	24,250	55,180
Paid during the period / year	(24,952)	(56,362)
Balance at end of the period / year	3,657	4,359

8 REMUNERATION TO TRUSTEE

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

Net assets up to 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 1 billion

Rs. 2 million plus 0.1% per annum of the daily average net assets of the Fund exceeding Rs 1 billion.

	31 December 2018	30 June 2018
	Note (Un-audited)	(Audited)
	(Rupees in '000)	
Balance at beginning of the year	298	357
Remuneration for the period / year	1,717	3,759
Paid during the period / year	(1,751)	(3,818)
Balance at end of the period / year	264	298

9 ANNUAL FEE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

	31 December 2018	30 June 2018
	Note (Un-audited)	(Audited)
	(Rupees in '000)	
Balance at beginning of the year	2,621	2,599
Remuneration for the period / year	1,152	2,621
Paid during the period / year	(2,621)	(2,599)
Balance at end of the period / year	1,152	2,621

10 ACCRUED EXPENSES AND OTHER PAYABLES

Auditors' remuneration		340	216
Brokerage payable		554	490
Sindh Sales tax on management company remuneration, trustee fees and CDS charges	10.1	512	607
Federal Excise Duty payable on Management company remuneration	10.2	10,092	10,092
Reimbursable Expense payable to management company	10.3	183	683
Payable to management company against expenses		1	2
Provision against Sindh Workers' Welfare Fund	10.4	25,951	25,951
Withholding tax payable		272	209
Zakat payable		727	721
Others		793	660
		39,425	39,631

- 10.1** During the period, Sindh Sales Tax management remuneration, trustee fee and CDS charges has been charged at 13% (2018: 13%)
- 10.2** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Honorable 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.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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 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 December 31, 2018 amounting to Rs 10.092 million (June 30, 2018: Rs 10.092 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.36 per unit (June 30, 2018: Re 0.34 per unit).

- 10.3** The reimbursable expenses have been charged as per NBFC Regulation 60, which states that fees and expenses related to registrar services, accounting, operation and valuation services related to CIS up to a maximum of 0.1% of average net assets of the Scheme or actual whichever is less. During the Period an amount of Rs. 1.21 million is charged related to reimbursable expense as per regulation 60.
- 10.4** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP

AKD Opportunity Fund - Half Yearly Report December 2018

recommended that as a matter of abundant caution provision in respect of SWWF to be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.94 per unit (June 30, 2018: Re 0.87 per unit).

11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.43% which includes 0.20% 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 4% prescribed under the NBFC Regulations.

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments as at December 31, 2018 (June 30, 2018: Nil)

13 NUMBER OF UNITS IN ISSUE

	<u>31 December</u> 2018	<u>30 June</u> 2018
	Note (Un-audited)	(Audited)
	(Numbers)	
Total outstanding at beginning of the year	29,954,704	32,366,082
Issued during the period / year	18,279,405	26,989,024
Redemptions during the period / year	(20,500,711)	(29,400,402)
Total units in issue at the end of the period / year	<u>27,733,398</u>	<u>29,954,704</u>

14 OTHER EXPENSES

	<u>31 December</u> 2018	<u>31 December</u> 2017
	Note (Un-audited)	(Un-audited)
	(Rupees in '000)	
Printing and stationery	68	112
National Clearing Company of Pakistan Limited charges	256	221
Central Depository Company of Pakistan Limited charges	59	59
Pakistan Stock Exchange listing fee	14	14
Fees and subscription	8	7
Sales tax on Management Remuneration / CDC / CDS	3,383	3,857
Legal and professional charges	91	104
Credit Rating fee	76	76
	<u>3,955</u>	<u>4,450</u>

15 TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company intends to distribute 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 made in these condensed interim financial information.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include AKD Investment Management Limited (AKDIML), being the asset management company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited (holding company of the management company), AKD Securities Limited being the related parties of the Management company, Central Depository Company of Pakistan Limited being the trustee, associated companies of the Management Company / holding company of 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 above entities and also includes entities holding 10% or more in the units of the Fund as at 31 December 2018. It also includes staff retirement funds of the above connected persons / related parties and entities in which the above parties or their connected persons have a material interest. All related party transactions have been transacted at arm's length basis.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively. Purchase and redemptions of the Fund's units by the connected persons / related parties are recorded at the applicable net asset value per unit. Other transactions are recorded in accordance with the agreed terms.

AKD Opportunity Fund - Half Yearly Report December 2018

16.1 Details of balances with connected persons / related parties as at period / year end

AKD Investment Management Limited - Management

Company of the Fund

Remuneration payable	3,657	4,359
Allocated expenses by Management Company	182	683
Expenses Payable to Management Company	2	2
Sales load payable	66	61
Units outstanding : Nil (June 2018: 9,932)	-	823
Sales tax payable on Management Company's remuneration*	475	567
Federal Excise Duty*	10,092	10,092

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	264	298
Sales tax payable on Trustee fee & CDS charges	36	40
Security deposit	100	100
CDS charges	14	14

Payable to other Funds Managed by the Management Company

Payable to Funds under Management of AKD Investment Management Ltd. against Conversion of units	54,846	51,784
---	--------	--------

Arabian Sea Enterprises Limited (having invested more than 10% in the units of the Fund)

Units outstanding: 3,573,194 (12.88% of the total units in issue as at the period end) June 2018: 3,573,194 (11.93% of the total units in issue as at the year end)	265,799	296,054
--	---------	---------

Aqeel Karim Dhedhi Securities (Private) Limited Staff Provident Fund

Units outstanding : 72,003 (June 2018: 72,003)	5,356	5,966
--	-------	-------

AKD Investment Management Ltd Staff Provident Fund

Units outstanding : 19,910 (June 2018: 55,774)	1,481	4,621
--	-------	-------

Spouse - Chief Executive Officer of the Management Company

Units outstanding: 835,982 (June 2018: 726,073)	62,186	60,158
---	--------	--------

Ameer Arif Dagha

Spouse of the Director of Management Company

Units outstanding: 137,627 (June 2018: 137,627)	10,238	11,403
---	--------	--------

Ms. Afsheen Aqeel Dhedhi

Close Relative of the sponsor of the Management Company

Units outstanding: 61 (June 2018: 61)	5	5
---------------------------------------	---	---

Ms. Ayesha Aqeel Dhedhi

Close Relative of the sponsor of the Management Company

Units outstanding: 121 (June 2018: 121)	9	10
---	---	----

AKD Opportunity Fund - Half Yearly Report December 2018

	31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
AKD Securities Limited - Brokerage House		
Brokerage payable on purchase and sale of marketable securities	44	36
Mr. Imran Motiwala- Chief Executive Officer***		
Units Outstanding: 73,503 (June 2018 : 43,324)	5,468	3,590
Mr. Muhammad Yaqoob **		
Units Outstanding: 14,736 (June 2018 : 17,971)	1,096	1,489
Mr. Hasan Ahmed ***		
Units Outstanding: 21,385 (June 2018 : 21,385)	1,591	1,772
Mr. Abdul Karim ***		
Units Outstanding: 594 (June 2018 : 594)	44	49
Mr. Toqir Hussain **		
Units Outstanding: 65 (June 2018 : 65)	5	5
Mr. Ubaid ur Rehman **		
Units Outstanding: 641 (June 2018 : 641)	48	53
Mr. Murtaza Wahab Siddiqui Spouse of the Director of Management Company		
Units Outstanding: 36,068 (June 2018 : 36,068)	2,683	2,988
Mr. Ali Wahab Siddiqui ***		
Units Outstanding: 1,829 (June 2018 : 1,829)	136	152
Mr. Muhammad Siddiq Khokar Director of the Golden Arrow Selected Stocks Fund Limited		
Units Outstanding: 60 (June 2018 : 60)	4	5
Mr. Javaid Bashir Sheikh Director of the Golden Arrow Selected Stocks Fund Limited		
Units Outstanding: 2,819 (June 2018: 2,819)	210	234

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

** Key Management personnel of the management company

*** Director of the Management Company

AKD Opportunity Fund - Half Yearly Report December 2018

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

AKD Investment Management Limited - Management Company of the Fund

Remuneration	
Sindh sales tax on Management Company's Remuneration*	
Allocated expense by the Management Company	
Sales load	
Units issued : Nil (2017 : 364,802)	
Units redeemed: 9,932 (2017 : 342,441)	

Central Depository Company of Pakistan - Trustee of the Fund

Remuneration	
Central Depository Service charges	
Sales Tax Provincial (Trustee & CDS)	

Golden Arrow Selected Stocks Fund Limited - Common Management Company

Sale of shares	
----------------	--

AKD Islamic Stock Fund- Common Management

Shares purchased by AKD Islamic Stock Fund	
--	--

AKD Investment Management Limited- Staff Provident Fund

Units issued: 27,810 (2017 : 62,872)	
Units redeemed: 63,674 (2017: 53,685)	

Spouse- Chief Executive Officer of the Management Company

Units issued : 1,707,743 (2017 : 24,472)	
Units redeemed : 1,597,834 (2017 : Nil)	

Ms. Anum ***

Chief Investment Officer and Director of the Management Company	
Units Issued : Nil (2017 : 8,482)	

Ms. Afsheen Aqeel Dhedhi

Close Relative of the Sponsor of the Management Company	
Units Issued : Nil (2017: 61)	

Ms. Ayesha Aqeel Dhedhi

Close Relative of the Sponsor of the Management Company	
Units Issued : Nil (2017 : 121)	

AKD Securities Limited - Brokerage House

Commission on purchase and sale of marketable securities	
--	--

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

24,250	27,722
3,152	3,604
1,213	1,386
138	2,044
-	30,983
829	33,450
1,717	1,890
59	59
231	253
-	53,955
3,135	-
2,100	5,546
5,110	5,473
130,543	2,040
126,010	-
-	800
-	5
-	10
206	79

	31 December 2018	31 December 2017
	(Un-audited)	(Un-audited)
	(Rupees in '000)	
Mr. Imran Motiwala- Chief Executive Officer***		
Units issued: 53,634 (2017 : 16,127)	4,138	1,500
Units redeemed : 23,455 (2017 : Nil)	1,883	-
	614	200
Mr. Muhammad Yaqoob **		
Units issued: 7,568 (2017 : 2,120)	614	200
Units redeemd: 10,803 (2017 : Nil)	864	-
	-	2,000
Mr. Murtaza Wahab Siddiqui		
Spouse of the Director of Management Company		
Units issued : Nil (2017 : 22,416)	-	2,000

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

** Key Management personnel of the management company

*** Director of the Management Company

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Level 1 : Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Fair value measurements using inputs other than quoted included within Level 1 that are observable for the assets and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyzes financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurements are categorized:

	----- As at December 31, 2018 -----		
	Level 1	Level 2	Total
	----- (Rupees in '000) -----		
ASSETS			
Investment in securities - at fair value through profit or loss			
- Quoted equity securities	2,141,540	-	2,141,540
	2,141,540	-	2,141,540
	2,141,540	-	2,141,540
	----- As at June 30, 2018 -----		
	Level 1	Level 2	Total
	----- (Rupees in '000) -----		
ASSETS			
Investment in securities - at fair value through profit or loss			
- Quoted equity securities	2,563,917	-	2,563,917
	2,563,917	-	2,563,917
	2,563,917	-	2,563,917

18 GENERAL

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

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

19 DATE OF AUTHORIZATION OF ISSUE

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

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director



**AKD Investment
Management Ltd.**

Head Office:

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

Gulshan-e-Iqbal Branch:

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

Abbottabad Branch:

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

Lahore Branch:

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

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