

Funds Managed by:
AKD Investment Management Ltd.

Quarterly Report
March 31, 2019
(Un-audited)



quarterly report



Partner with AKD
Profit from the
Experience



**AKD Investment
Management Ltd.**

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 Third Quarter FY19**

40 **AKD Index Tracker Fund - Financial Information Third Quarter FY19**

70 **AKD Cash Fund - Financial Information Third Quarter FY19**

93 **AKD Aggressive Income Fund - Financial Information Third Quarter FY19**

123 **AKD Islamic Income Fund - Financial Information Third Quarter FY19**

150 **AKD Islamic Stock Fund - Financial Information Third Quarter 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 nine months report along with the Funds' unaudited financial statements for nine months ended March 31, 2019.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

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

AKD Index Tracker Fund (AKDITF)

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

AKD Cash Fund (AKDCF)

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

AKD Aggressive Income Fund (AKDAIF)

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

AKD Islamic Income Fund (AKDISIF)

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

AKD Islamic Stock Fund (AKDISSF)

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

MACRO PERSPECTIVE

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

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

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

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

According to SBP, The Agriculture sector is expected to underperform, and remain below its target in FY19, due to the increasing water crisis, which is likely to hamper agricultural output production. Moreover, slowdown in the services sector, along with manufacturing sector, has also caused the SBP to reduce its expected real GDP growth of approximately 3.5% for FY19.

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

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

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

MONEY MARKET REVIEW

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

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

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

As per the SBP's auction calendar, government is targeting to raise PKR300 billion by issuing 3 to 20-year tenor Pakistan Investment Bonds (PIBs) and PKR3.3 trillion by issuing 3 to 12-month tenor T-Bills in next 3 months to pay back the maturing debt of PKR3.54 trillion. In addition, SBP will raise another PKR300 billion through the auction of a 10-Year Floating PIB.

FUTURE OUTLOOK

Keeping in view the current economic situation, it is expected that Pakistan would continue to face severe challenges in FY19. On the external front, recent aid from friendly countries (Saudi, Chinese, and UAE) should provide external support during FY19, but possible entry into an IMF program still remains of paramount importance as the financial assistance haven't been able to solve liquidity concerns of the country completely.

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

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

We believe a significant reversal in equity market will be more dependent on liquidity rather than valuations (The KSE-100 index trading at a Price-to-earnings (P/E) and Dividend Yield (DY) of 6.99x and 8.21% respectively as compared to Emerging Market P/E and DY of 13.11x and 2.71% respectively). The investor confidence level and foreign participation will play a major role in this regard.

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

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

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Abdul Karim
Chairman

Karachi: April 27, 2019

AKD Opportunity Fund

Financial Information - Third Quarter FY19

Contents

- 10 Fund Information**
- 11 Fund Manager's Report**
- 16 Condensed Interim Statement of Assets and Liabilities**
- 17 Condensed Interim Income Statement**
- 18 Condensed Interim Statement of Comprehensive Income**
- 19 Condensed Interim Statement of Movement in Unit Holders' Fund**
- 20 Condensed Interim Cash Flow Statement**
- 21 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 (5 Years)

Short-term

3-Star (1 & 3 Years)

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.

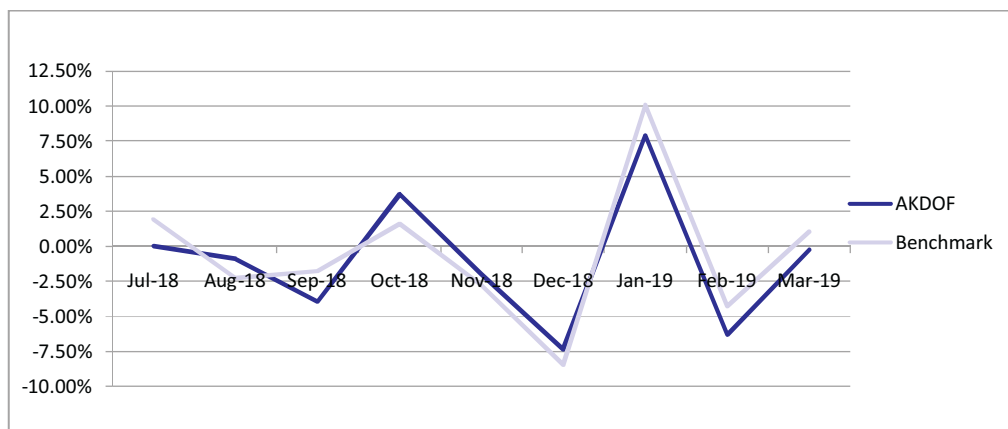
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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

KSE-100 Index

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



Monthly yield	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
AKDOF	0.06%	-0.87%	-3.94%	3.72%	-1.96%	-7.33%	7.93%	-6.29%	-0.23%
Benchmark	1.91%	-2.27%	-1.78%	1.59%	-2.77%	-8.47%	10.07%	-4.28%	-1.04%

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

AKD 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):

Asset Allocation (% of Total Assets)	31-Mar-19	31-Dec-18
Equities	98.83%	98.64%
Cash	0.31%	0.93%
Other Assets	0.86%	0.43%

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

9MFY19 Return	-9.42%
Benchmark Return	-7.78%

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

Net Asset Value			NAV Per Unit	
31-Mar-19	31-Dec-18	Change in Net Assets	31-Mar-19	31-Dec-18
(Rupees In "000")			Rs.	Rs.
2,111,756	2,063,006	2.36%	75.05	74.39

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

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

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

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

According to SBP, The Agriculture sector is expected to underperform, and remain below its target in FY19, due to the increasing water crisis, which is likely to hamper agricultural output production. Moreover,

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

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

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

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

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

EQUITY MARKET REVIEW

During 9MFY19, KSE-100 Index exhibited a decline of 7.78%, closing at 38,649.34 points. Despite a modest improvement seen in the index during the third quarter, the equity market remained under pressure on the back of depressed market participation arising from decreased investor confidence, stemming from weak economic conditions (balance of payment crisis, currency depreciation, and widening fiscal deficit) and continued foreign investor selling during the period (FIPI recorded net selling of \$372.98 million). On the other hand, the average traded volume stood at 82.51 million shares as compared to 87.19 million shares in the SPLY showing a decline of 5.38% YoY.

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

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

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

FUTURE OUTLOOK

Keeping in view the current economic situation, it is expected that Pakistan would continue to face severe challenges in FY19. On the external front, recent aid from friendly countries (Saudi, Chinese, and UAE) should provide external support during FY19, but possible entry into an IMF program still remains of paramount importance as the financial assistance haven't been able to solve liquidity concerns of the country completely.

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

We believe a significant reversal in equity market will be more dependent on liquidity rather than valuations (The KSE-100 index trading at a Price-to-earnings (P/E) and Dividend Yield (DY) of 6.99x and 8.21% respectively as compared to Emerging Market P/E and DY of 13.11x and 2.71% respectively). The investor confidence level and foreign participation will play a major role in this regard.

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

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

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	1359
10,000 - 49,999	162
50,000 - 99,999	32
100,000 - 499,999	33
500,000 and above	9
	1595

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.

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

	31 March 2019 (Un-audited)	30 June 2018 (Audited)
Note	(Rupees in '000)	
Assets		
Bank balances	4 6,740	13,444
Investments	5 2,144,012	2,563,917
Receivable against sale of investment (subsequently cleared)	13,818	-
Dividend, prepayment, profit and other receivable	6 2,179	3,997
Security deposits	2,600	2,600
Total assets	2,169,349	2,583,958
Liabilities		
Remuneration payable to the Management Company	7 3,659	4,359
Remuneration payable to the Trustee	8 265	298
Annual fee payable to Securities and Exchange Commission of Pakistan	9 1,685	2,621
Payable against purchase of investments (subsequently paid)	-	3,135
Amount payable on redemption of units	13,144	51,784
Accrued expenses and other liabilities	10 38,585	39,631
Unclaimed dividend	255	255
Total liabilities	57,593	102,083
Contingencies and commitments	12	
Net assets	2,111,756	2,481,875
Unit holders' fund (as per statement attached)	2,111,756	2,481,875
	(Number of Units)	
Number of units in issue	13 28,138,057	29,954,704
	(Rupees)	
Net assets value per unit (face value per unit Rs. 50/-)	75.05	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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended 31 March		Three months period ended 31 March	
	2019	2018	2019	2018
Income				
Gain / (loss) on sale of investments - net	57,892	54	(11,953)	(9,372)
Dividend income	43,968	57,283	3,350	11,242
Profit on bank balances	2,027	3,320	681	404
Unrealized appreciation / (diminution) in the fair value of investments classified as 'financial assets at fair value through profit or loss' - net	(280,161)	(99,048)	41,222	364,115
	(176,274)	(38,391)	33,300	366,389
Expenses				
Remuneration to the Management Company	35,473	41,512	11,223	13,790
Remuneration to the Trustee	2,524	2,826	807	936
Annual fee to the Securities and Exchange Commission of Pakistan	1,685	1,972	533	655
Allocated expenses	1,774	2,075	561	689
Securities transaction cost	3,017	2,835	940	1,308
Auditors' remuneration	190	279	66	74
Bank charges	33	32	11	5
Other expenses	5,864	6,724	1,909	2,274
	50,560	58,255	16,050	19,731
Net gain / (loss) for the period before taxation	(226,834)	(96,646)	17,250	346,658
Taxation	15 -	-	-	-
Net gain / (loss) for the period after taxation	(226,834)	(96,646)	17,250	346,658
Allocation of net income for the period:				
Net income for the period after taxation	-	-	17,250	346,658
Income already paid on units redeemed	-	-	-	-
	-	-	17,250	346,658
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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended 31 March		Three months period ended 31 March	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net gain / (loss) for the period	(226,834)	(96,646)	17,250	346,658
Other comprehensive income for the period	-	-	-	-
Total comprehensive Income / (loss) for the period	<u>(226,834)</u>	<u>(96,646)</u>	<u>17,250</u>	<u>346,658</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 (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended 31 March					
	2019			2018		
	------(Rupees in '000)-----					
	Capital value	Undistributed income	Net assets	Capital value	Undistributed 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 25,393,745 units (2018: 19,951,699 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,103,981	-	2,103,981	1,911,269	-	1,911,269
- Element of income	(99,637)	-	(99,637)	(153,096)	-	(153,096)
Total proceeds on issuance of units	2,004,344	-	2,004,344	1,758,173	-	1,758,173
Redemption of 27,210,392 units (2018: 21,347,512 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,254,498	-	2,254,498	2,044,981	-	2,044,981
- Element of income	(106,869)	-	(106,869)	(144,290)	-	(144,290)
Total payments on redemption of units	2,147,629	-	2,147,629	1,900,691	-	1,900,691
Total comprehensive loss for the period	-	(226,834)	(226,834)	-	(96,646)	(96,646)
Distribution during the period	-	-	-	-	-	-
Net loss for the period less distribution	-	(226,834)	(226,834)	-	(96,646)	(96,646)
	1,790,686	321,070	2,111,756	2,018,141	843,198	2,861,339
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		(226,834)			(96,646)	
Distribution during the period		-			-	
Undistributed gain carried forward		<u>321,070</u>			<u>843,198</u>	
Undistributed gain carried forward						
- Realized income		601,231			942,246	
- Unrealized loss		(280,161)			(99,048)	
		<u>321,070</u>			<u>843,198</u>	
Net assets value per unit at beginning of the period			<u>(Rupees) 82.85</u>			<u>(Rupees) 95.79</u>
Net assets value per unit at end of the period			<u>75.05</u>			<u>92.39</u>

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended 31 March		Three months period ended 31 March	
	2,019	2,018	2,019	2018
------(Rupees in '000)-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net gain / (loss) for the period	(226,834)	(96,646)	17,250	346,658
Adjustments for:				
Unrealized (appreciation) / diminution in the fair value of investments classified as 'financial assets at fair value through profit or loss' - net	280,161	99,048	(41,222)	(364,115)
	53,327	2,402	(23,972)	(17,457)
Decrease / (increase) in assets				
Investments	139,744	97,060	38,749	(9,821)
Dividend, prepayment, profit and other receivable	1,818	12,922	(1,600)	(5,300)
Receivable against sale of Investment	(13,818)	4,736	(7,680)	13,459
	127,744	114,718	29,469	(1,662)
(Decrease) / increase in liabilities				
Remuneration payable to the Management Company	(700)	(739)	2	573
Remuneration payable to the Trustee	(33)	(34)	1	29
Annual fee payable to the Securities and Exchange Commission of Pakistan	(936)	(627)	533	655
Payable against purchase of investments	(3,135)	10,272	(8,223)	11,200
Payable on redemption of units	(38,640)	(26,757)	(42,017)	881
Accrued expenses and other liabilities	(1,046)	(36,074)	(840)	815
Unclaimed dividend	-	(7)	-	-
	(44,490)	(53,966)	(50,544)	14,153
Net cash generated from / (used in) operating activities	136,581	63,154	(45,047)	(4,966)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received on issuance of units	2,004,344	1,758,173	546,728	378,894
Cash paid on redemption of units	(2,147,629)	(1,900,691)	(515,227)	(419,068)
Net cash (used in) / generated from financing activities	(143,285)	(142,518)	31,501	(40,174)
Net decrease in cash and cash equivalents during the period	(6,704)	(79,364)	(13,546)	(45,140)
Cash and cash equivalents at beginning of the period	13,444	94,169	20,286	59,945
Cash and cash equivalents at end of the period	6,740	14,805	6,740	14,805

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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

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 February 8, 2019. PACRA has also assigned performance ranking of "MFR 3-Star" to the Fund in performance period of 1 year and 3 year category and "MFR 4-Star" in 5 year category on February 28, 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part 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. 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 March 31, 2019.

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 nine months ended March 31, 2019.

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.

		<u>31 March</u> 2019	<u>30 June</u> 2018
	Note	(Unaudited)	(Audited)
		(Rupees in '000)	
4 BANK BALANCES			
Profit and loss sharing accounts	4.1	6,585	13,287
Current accounts		155	157
		<u>6,740</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 8.25 % to 8.85% (30 June 2018: 4.5% to 6%) per annum.

		<u>31 March</u> 2019	<u>30 June</u> 2018
	Note	(Unaudited)	(Audited)
		(Rupees in '000)	
5 INVESTMENTS			
Investments in securities at fair value through profit or loss			
Listed equity securities	5.1	2,144,012	2,563,917
		<u>2,144,012</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 March 31, 2019	Cost as of the period ended March 31, 2019	Carrying value (before revaluation as of the period ended March 31, 2019)	Market value as of the period ended March 31, 2019 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000') -----			----- (Percentage) -----		
AUTOMOBILE ASSEMBLER											
Atlas Honda Limited	100,000	-	-	-	100,000	35,687	51,000	37,800	1.76	1.79	0.10
Ghandhara Industries Limited	-	25,000	-	-	25,000	9,375	9,375	4,327	0.20	0.20	0.06
Ghandhara Nissan Limited	126,665	-	-	-	126,665	24,844	22,758	8,990	0.42	0.43	0.22
Honda Atlas Cars (Pakistan) Limited	50	255,000	-	-	255,050	57,013	57,002	61,202	2.85	2.90	0.18
Millat Tractors Limited	3,000	-	-	3,000	-	-	-	-	-	-	-
						126,919	140,135	112,319			
Automobile Parts & Accessories											
General Tyre & Rubber Company Of Pakistan Limited	23,700	-	16,590	-	40,290	5,545	3,939	2,202	0.10	0.10	0.04
Thal Limited (Face value of Rs.5/- each)	275,500	2,500	-	-	278,000	62,054	132,659	117,316	5.47	5.56	0.34
						67,599	136,598	119,518			
CABLE & ELECTRICAL GOODS											
Pakistan Cables Limited	458,625	7,300	-	-	465,925	81,056	87,116	54,611	2.55	2.59	1.31
						81,056	87,116	54,611			
CEMENT											
D. G. Khan Cement Company Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
Dewan Cement Limited	1,305,000	-	-	1,305,000	-	-	-	-	-	-	-
Javedan Corporation Limited (Note 5.4)	7,319,000	-	585,520	297,500	7,607,020	240,740	252,158	285,263	13.31	13.51	2.64
						240,740	252,158	285,263			
CHEMICALS											
Akzo Nobel Pakistan Limited	6,200	-	-	-	6,200	1,516	1,158	960	0.04	0.05	0.01
Archroma Pakistan Limited	2,850	-	-	2,850	-	-	-	-	-	-	-
Biafo Industries Limited	222,709	-	41,041	59,900	203,850	27,698	54,357	40,175	1.87	1.90	0.77
Buxly Paints Limited	31,500	-	-	-	31,500	1,356	2,940	1,322	0.06	0.06	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	6,577	0.31	0.31	0.10
						36,046	65,965	49,034			
COMMERCIAL BANKS											
Allied Bank Limited	92,200	-	-	92,200	-	-	-	-	-	-	-
Bank Islami Pakistan Limited	11,401,567	3,577,000	-	31,000	14,947,567	167,260	178,802	179,371	8.37	8.49	1.48
Faysal Bank Limited	1,050,000	-	-	1,050,000	-	-	-	-	-	-	-
Habib Bank Limited	190,000	1,369,700	-	932,100	627,600	84,262	84,474	83,151	3.88	3.94	0.04
National Bank Of Pakistan	-	744,000	-	9,000	735,000	37,188	37,188	29,444	1.37	1.39	0.03
Samba Bank Limited	412,000	-	-	-	412,000	1,957	3,152	2,225	0.10	0.11	0.04
Summit Bank Limited	12,132,000	-	-	-	12,132,000	35,851	26,084	8,977	0.42	0.43	0.46
United Bank Limited	-	125,000	-	125,000	-	-	-	-	-	-	-
						326,518	329,700	303,168			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at March 31, 2019	Cost as of the period ended March 31, 2019	Carrying value (before revaluation as of the period ended March 31, 2019)	Market value as of the period ended March 31, 2019 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----				----- (Rupees in '000) -----			----- (Percentage) -----			
ENGINEERING											
Aisha Steel Mills Limited	5,225,000	-	-	1,475,000	3,750,000	63,720	59,137	39,487	1.84	1.87	0.49
Dost Steel Limited	46,500	-	-	-	46,500	583	368	238	0.01	0.01	0.01
International Industries Limited	200	54,300	-	-	54,500	7,555	7,545	6,763	0.32	0.32	0.05
Pakistan Engineering Company Limited	6,900	-	-	-	6,900	2,401	1,699	990	0.05	0.05	0.12
						74,259	68,749	47,478			
FERTILIZER											
Arif Habib Corporation Limited	75,000	-	-	75,000	-	-	-	-	-	-	-
Dawood Hercules Chemicals Limited	-	22,000	-	-	22,000	2,684	2,684	2,824	0.13	0.13	-
Engro Corporation Limited	50,000	25,000	-	25,000	50,000	13,913	15,725	16,362	0.76	0.77	0.01
						16,597	18,409	19,186			
FOOD & PERSONAL CARE-PRODUCTS											
Al Shaheer Corporation Limited	-	2,472,000	-	-	2,472,000	63,768	63,768	44,447	2.07	2.10	1.74
Engro Foods Ltd	-	295,000	-	-	295,000	23,695	23,695	20,402	0.95	0.97	0.04
Fauji Foods Limited	-	1,502,500	-	1,027,500	475,000	15,670	15,670	12,398	0.58	0.59	0.09
Murree Brewery Company Limited	36,650	3,300	-	39,950	-	-	-	-	-	-	-
National Foods Limited	-	350,000	-	1,100	348,900	67,936	67,936	65,956	3.08	3.12	0.28
Quice Food Industries Limited	5,378,000	-	-	-	5,378,000	40,259	26,890	22,050	1.03	1.04	5.46
Treet Corporation Limited	154,395	-	-	41,000	113,395	7,716	3,877	2,326	0.11	0.11	0.07
						219,044	201,836	167,579			
GLASS & CERAMICS											
Balochistan Glass Limited	1,300,000	-	-	-	1,300,000	9,076	13,702	9,685	0.45	0.46	0.50
Ghani Glass Limited	47,500	-	14,250	-	61,750	3,969	3,072	3,062	0.14	0.14	0.01
						13,045	16,774	12,747			
INSURANCE											
Askari General Insurance Company Limited	706,355	-	-	28,500	677,855	21,430	18,302	20,166	0.94	0.95	1.08
EFU General Insurance Limited	557,000	-	-	-	557,000	89,187	83,400	57,494	2.68	2.72	0.28
Pakistan Reinsurance Company Limited	239,000	-	-	-	239,000	10,862	7,858	7,230	0.34	0.34	0.08
TPL Insurance Limited	71,148	-	9,249	-	80,397	686	1,527	1,661	0.08	0.08	0.09
						122,165	111,087	86,551			
INVESTMENT BANK/INV.COS/SEC COS.											
Jahangir Siddiqui Co.Limited	5,500,000	-	-	-	5,500,000	133,553	100,045	61,050	2.85	2.89	0.60
JS Investments Limited	3,158,000	10,000	-	-	3,168,000	55,844	29,481	25,027	1.17	1.19	3.95
Pakistan Stock Exchange Limited	6,176,121	2,747,500	-	7,206,500	1,717,121	35,704	31,769	28,178	1.31	1.33	0.21
						225,101	161,295	114,255			
MISCELLANEOUS											
TPL Properties Limited	2,500,000	-	492,500	-	2,992,500	31,250	23,250	23,581	1.10	1.12	0.91
Tri-Pack Films Limited	50,000	-	-	-	50,000	13,491	6,850	5,439	0.25	0.26	0.13
						44,741	30,100	29,020			
OIL & GAS EXPLORATION COMPANIES											
Oil & Gas Development Company Limited	94,900	225,000	-	194,900	125,000	18,008	18,008	18,444	0.86	0.87	-
Pakistan Petroleum Limited	88,000	-	-	88,000	-	-	-	-	-	-	-
						18,008	18,008	18,444			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at March 31, 2019	Cost as of the period ended March 31, 2019	Carrying value (before revaluation as of the period ended March 31, 2019)	Market value as of the period ended March 31, 2019 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000') -----			----- (Percentage) -----		
OIL & GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	95,000	-	19,000	114,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	264,500	-	-	264,500	21,687	21,687	19,867	0.93	0.94	0.04
Sui Southern Gas Company Limited	-	309,500	-	-	309,500	6,998	6,998	6,763	0.32	0.32	0.04
						28,685	28,685	26,630			
PAPER AND BOARD											
Pakistan Paper Products Limited	85,500	-	28,500	-	114,000	7,588	10,269	14,592	0.68	0.69	1.43
						7,588	10,269	14,592			
PHARMACEUTICALS											
GlaxoSmithKline Pakistan Limited	230,200	-	-	-	230,200	61,463	38,213	33,052	1.54	1.57	0.07
The Searle Company Limited	79,432	-	11,914	-	91,346	45,118	26,967	21,633	1.01	1.02	0.04
						106,581	65,180	54,685			
POWER GENERATION & DISTRIBUTION											
Japan Power Generation Limited (Note 5.5)	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	-	6,507,500	27,504,000	217,205	155,434	153,747	7.17	7.28	0.10
Nishat Chunian Power Limited	200,000	-	-	-	200,000	5,900	5,628	4,358	0.20	0.21	0.05
						245,085	161,062	158,105			
REFINERY											
Aflock 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	2,759	0.13	0.13	0.14
						4,511	3,811	2,759			
SYNTHETICS AND RAYON											
Pakistan Synthetics Limited	508,000	-	-	-	508,000	16,334	12,746	12,700	0.59	0.60	0.91
						16,334	12,746	12,700			
TECHNOLOGY & COMMUNICATION											
Hum Network Limited	3,060,000	-	-	-	3,060,000	35,033	24,755	13,158	0.61	0.62	0.32
Pakistan Telecommunication Company Limited	2,650,000	-	-	150,000	2,500,000	42,550	28,600	22,725	1.06	1.08	0.07
Systems Limited	100,000	-	-	100,000	-	-	-	-	-	-	-
TPL Corp Limited	385,500	-	-	-	385,500	5,324	2,629	2,055	0.10	0.10	0.14
TRG Pakistan Limited (Note 5.2)(Note 5.3)	7,120,745	2,375,000	-	-	9,495,745	212,040	264,103	218,972	10.21	10.37	1.74
Worldcall Telecom Limited	-	1,000,000	-	-	1,000,000	1,800	1,800	1,090	0.05	0.05	0.07
						296,747	321,887	258,000			
TEXTILE COMPOSITE											
Dawood Lawrencepur Limited	-	50,000	-	-	50,000	8,500	8,500	9,650	0.45	0.46	0.08
Gul Ahmed Textile Mills Limited	583,500	-	-	293,500	290,000	12,899	12,450	16,521	0.77	0.78	0.08
Nishat (Chunian) Limited	-	15,000	-	-	15,000	833	833	776	0.04	0.04	0.01
Nishat Mills Limited	300,000	-	-	300,000	-	-	-	-	-	-	-
						22,232	21,783	26,947			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	At July 01, 2018	Acquired during the period	Bonus / Right shares received during the period	Disposed during the period	As at March 31, 2019	Cost as of the period ended March 31, 2019	Carrying value (before revaluation as of the period ended March 31, 2019)	Market value as of the period ended March 31, 2019 (revised carrying value)	Percentage in relation to total market value of investment	Market value as a percentage of net assets	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000) -----			----- (Percentage) -----		
TEXTILE SPINNING											
Colony Textile Mills Limited	400,000	-	-	-	400,000	2,375	1,444	1,440	0.07	0.07	0.08
Crescent Fibres Limited	37,000	-	-	-	37,000	1,038	944	1,406	0.07	0.07	0.30
Ellico Spinning Mills Limited	649,138	17,500	-	-	666,638	52,930	47,856	55,991	2.61	2.65	6.09
Fazal Cloth Mills Limited	600	-	-	-	600	56	90	90	-	-	-
Gadoon Textile Mills Limited	64,900	-	-	64,900	-	-	-	-	-	-	-
Island Textile Mills Limited	34,950	-	-	-	34,950	8,964	41,940	61,757	2.88	2.92	6.99
Premium Textile Mills Limited	-	10,000	-	-	10,000	2,500	2,500	2,229	0.10	0.11	0.16
Saif Textile Mills Limited	141,000	-	-	-	141,000	2,529	2,468	2,468	0.12	0.12	0.53
						70,392	97,242	125,381			
TEXTILE WEAVING											
Samin Textiles Limited	53,500	-	-	-	53,500	440	225	219	0.01	0.01	0.20
						440	225	219			
VANASPATI & ALLIED INDUSTRIES											
Punjab Oil Mills Limited	203,900	-	-	2,500	201,400	51,391	57,093	40,032	1.87	1.90	3.74
S.S. Oil Mills Limited	156,500	-	-	-	156,500	6,066	6,260	4,789	0.22	0.23	2.77
						57,457	63,353	44,821			
Total as at March 31, 2019						2,467,890	2,424,173	2,144,012			
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 0.37% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.
- 5.4 The exposure limit of investment in a single company as a percentage of net assets exceeded by 3.51% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.
- 5.5 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 March 2019	30 June 2018
	(Unaudited)	(Audited)
	(Rupees in '000)	
6 DIVIDEND, PREPAYMENT, PROFIT AND OTHER RECEIVABLE		
Unsecured-considered good	204	121
- Mark-up on bank balances	1,793	3,701
- Dividend receivable	141	141
Advance Tax- Dividend	34	34
Bank profit	7	-
Prepayments	2,179	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 March 2019	30 June 2018
	(Un-audited)	(Audited)
	(Rupees in '000)	
Note		
Balance at beginning of the year	4,359	5,541
Remuneration for the period / year	35,473	55,180
Paid during the period / year	(36,173)	(56,362)
Balance at end of the period / year	3,659	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 March 2019 (Un-audited)	30 June 2018 (Audited)
	(Rupees in '000)	
Balance at beginning of the year	298	357
Remuneration for the period / year	2,524	3,759
Paid during the period / year	(2,557)	(3,818)
Balance at end of the period / year	265	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 March 2019 (Un-audited)	30 June 2018 (Audited)
	(Rupees in '000)	
Balance at beginning of the year	2,621	2,599
Remuneration for the period / year	1,685	2,621
Paid during the period / year	(2,621)	(2,599)
Balance at end of the period / year	1,685	2,621

10 ACCRUED EXPENSES AND OTHER PAYABLES

Auditors' remuneration	406	216
Brokerage payable	449	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	10.3 182	683
Payable to management company against expenses	2	2
Provision against Sindh Workers' Welfare Fund	10.4 25,951	25,951
Withholding tax payable	186	209
Zakat payable	-	721
Others	805	660
	38,585	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 March 31, 2019 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 March 31, 2019 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. 1.774 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 recommended that as a matter of abundant caution provision in respect of SWWF to be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2019 would have been higher by Re. 0.92 per unit (June 30, 2018: Re 0.87 per unit).

11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2019 is 2.14% which includes 0.30% 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 March 31, 2019 (June 30, 2018: Nil)

13 NUMBER OF UNITS IN ISSUE

	31 March 2019 (Un-audited)	30 June 2018 (Audited)
	(Numbers)	
Total outstanding at beginning of the year	29,954,704	32,366,082
Issued during the period / year	25,393,745	26,989,024
Redemptions during the period / year	(27,210,392)	(29,400,402)
Total units in issue at the end of the period / year	28,138,057	29,954,704

14 OTHER EXPENSES

	31 March 2019 (Un-audited)	31 March 2018 (Un-audited)
	(Rupees in '000)	
Printing and stationery	118	161
National Clearing Company of Pakistan Limited charges	383	336
Central Depository Company of Pakistan Limited charges	83	98
Pakistan Stock Exchange listing fee	21	21
Fees and subscription	8	7
Sales tax on Management Remuneration / CDC / CDS	4,950	5,776
Legal and professional charges	188	212
Credit Rating fee	113	113
	5,864	6,724

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 March 2019. It also includes staff retirement funds of the above connected persons / related parties and entities in which the above parties or their connected persons have a material interest. All related party transactions have been transacted at arm's length basis.

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

AKD Opportunity Fund - Quarterly Report March 2019

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

	31 March 2019 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
AKD Investment Management Limited - Management		
Company of the Fund		
Remuneration payable	3,659	4,359
Allocated expenses by Management Company	182	683
Expenses Payable to Management Company	2	2
Sales load payable	12	61
Units outstanding : Nil (June 2018: 9,932)	-	823
Sales tax payable on Management Company's remuneration*	476	567
Federal Excise Duty*	10,092	10,092
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	265	298
Sales tax payable on Trustee fee & CDS charges	36	40
Security deposit	100	100
CDS charges	13	14
Payable to other Funds Managed by the Management Company		
Payable to Funds under Management of AKD Investment Management Ltd. against Conversion of units	12,845	51,784
Arabian Sea Enterprises Limited (having invested more than 10% in the units of the Fund)		
Units outstanding: 3,573,194 (12.70% 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)	268,167	296,054
Aqeel Karim Dhedhi Securities (Private) Limited Staff Provident Fund		
Units outstanding : 72,003 (June 2018: 72,003)	5,404	5,966
AKD Investment Management Ltd Staff Provident Fund		
Units outstanding : 19,910 (June 2018: 55,774)	1,494	4,621
Spouse - Chief Executive Officer of the Management Company		
Units outstanding: 835,982 (June 2018: 726,073)	62,740	60,158
Ameer Arif Dagha Spouse of the Director of Management Company		
Units outstanding: 137,627 (June 2018: 137,627)	10,329	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 - Quarterly Report March 2019

	31 March 2019 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
AKD Securities Limited - Brokerage House Brokerage payable on purchase and sale of marketable securities	204	36
Mr. Imran Motiwala- Chief Executive Officer*** Units Outstanding: 73,503 (June 2018 : 43,324)	5,516	3,590
Mr. Muhammad Yaqoob ** Units Outstanding: 14,736 (June 2018 :17,971)	1,106	1,489
Mr. Hasan Ahmed *** Units Outstanding: 21,385 (June 2018 : 21,385)	1,605	1,772
Mr. Abdul Karim *** Units Outstanding: 594 (June 2018 : 594)	45	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)	2,707	2,988
Mr. Ali Wahab Siddiqui *** Units Outstanding: 1,829 (June 2018 : 1,829)	137	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)	212	234

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

** Key Management personnel of the management company

*** Director of the Management Company

AKD Opportunity Fund - Quarterly Report March 2019

	31 March 2019 (Un-audited) (Rupees in '000)	31 March 2018 (Un-audited)
16.2 Details of transactions with connected persons/related parties during the period		
AKD Investment Management Limited - Management Company of the Fund		
Remuneration	35,473	41,512
Sindh sales tax on Management Company's Remuneration*	4,611	5,397
Allocated expense by the Management Company	1,774	2,075
Sales load	147	2,365
Units issued : Nil (2018 : 364,802)	-	30,983
Units redeemed: 9,932 (2018 : 651,873)	829	59,950
Central Depository Company of Pakistan - Trustee of the Fund		
Remuneration	2,524	2,826
Central Depository Service charges	83	98
Sales Tax Provincial (Trustee & CDS)	339	380
Golden Arrow Selected Stocks Fund Limited - Common Management Company		
Sale of shares	-	53,955
AKD Islamic Stock Fund- Common Management		
Shares purchased by AKD Islamic Stock Fund	3,135	-
AKD Investment Management Limited- Staff Provident Fund		
Units issued: 27,810 (2018 : 62,872)	2,100	5,546
Units redeemed: 63,674 (2018: 53,685)	5,110	5,473
Spouse- Chief Executive Officer of the Management Company		
Units issued : 1,707,743 (2018 : 24,472)	130,543	2,040
Units redeemed : 1,597,834 (2018 : Nil)	126,010	-
Ms. Anum ***		
Chief Investment Officer and Director of the Management Company		
Units Issued : Nil (2018 : 8,482)	-	800
Ms. Afsheen Aqeel Dhedhi		
Close Relative of the Sponsor of the Management Company		
Units Issued : Nil (2018: 61)	-	5
Ms. Ayesha Aqeel Dhedhi		
Close Relative of the Sponsor of the Management Company		
Units Issued : Nil (2018 : 121)	-	10
AKD Securities Limited - Brokerage House		
Commission on purchase and sale of marketable securities	392	79

	31 March 2019 (Un-audited) (Rupees in '000)	31 March 2018 (Un-audited)
Mr. Imran Motiwala- Chief Executive Officer***		
Units issued: 53,634 (2018 : 16,127)	4,138	1,500
Units redeemed : 23,455 (2018 : Nil)	1,883	-
Mr. Muhammad Yaqoob **		
Units issued: 7,568 (2018 : 2,120)	614	200
Units redeemed: 10,803 (2018 : Nil)	864	-
Mr. Murtaza Wahab Siddiqui Spouse of the Director of Management Company		
Units issued : Nil (2018 : 22,416)	-	2,000

- * Sales tax and FED is paid / payable to the management company for onwards payment to the
- ** 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 March 31, 2019		
	Level 1	Level 2	Total
	(Rupees in '000)		
ASSETS			
Investment in securities - at fair value through profit or loss			
- Quoted equity securities	2,144,012	-	2,144,012
	2,144,012	-	2,144,012
	2,144,012	-	2,144,012
	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.

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 April 27, 2019 by the Board of Directors of the Management Company.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director



**AKD Investment
Management Ltd.**

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