

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

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



# half yearly report

**AKD**  
OPPORTUNITY FUND

**AKD**  
INDEX TRACKER FUND

**AKD**  
CASH FUND

**AKD**  
AGGRESSIVE INCOME FUND

**AKD**  
ISLAMIC INCOME FUND

**AKD**  
ISLAMIC STOCK FUND

**GOLDEN ARROW  
STOCK FUND**

**Partner with AKD**  
**Profit from the Experience**



AKD Investment  
Management Ltd.

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## **MANAGEMENT COMPANY**

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

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

### **Chairman**

Mr. Abdul Karim

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

Mr. Imran Motiwala

### **Directors**

Ms. Anum Dhedhi

Ms. Aysha Ahmed

Mr. Ali Wahab Siddiqui

Mr. Hasan Ahmed

Mr. Saim Mustafa Zuberi

## **HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY**

Ms. Tayyaba Masoom Ali

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

Mr. Muhammad Yaqoob Sultan, CFA

## **AUDIT COMMITTEE**

Mr. Ali Wahab Siddiqui (Chairman)

Mr. Hasan Ahmed (Member)

Mr. Saim Mustafa Zuberi (Member)

Ms. Tayyaba Masoom Ali (Secretary)

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

Ms. Aysha Ahmed (Chairman)

Mr. Abdul Karim (Member)

Mr. Imran Motiwala (Member)

Ms. Anum Dhedhi (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

## **RATING**

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

**CORPORATION  
INFORMATION**

# *Vision*

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

# *Mission Statement*

*AKD Fund shall continuously strive to:*

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

# REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

## FUNDS' FINANCIAL PERFORMANCE

### AKD Opportunity Fund (AKDOF)

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

### AKD Index Tracker Fund (AKDITF)

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

### AKD Cash Fund (AKDCF)

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

### AKD Aggressive Income Fund (AKDAIF)

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

### AKD Islamic Income Fund (AKDISIF)

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

### AKD Islamic Stock Fund (AKDISSF)

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

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

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

## MACRO PERSPECTIVE:

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

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

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

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

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

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

## **EQUITY REVIEW:**

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

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

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

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

### **MONEY MARKET REVIEW:**

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

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

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

As per the auction calendar of the SBP, it will raise PKR300 billion by issuing 3 to 20-year tenor Pakistan Investment Bonds (PIBs) and PKR2.50 trillion by issuing 3 to 12-month tenor T-Bills to pay back the maturing debt of PKR2.35 trillion, in the next quarter. In addition, SBP will raise another PKR150 billion through the auction of a 10-Year Floating PIB, in the next quarter.

### **FUTURE OUTLOOK:**

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

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

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

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

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

For and on behalf of the board

**Imran Motiwala**  
Chief Executive Officer

**Abdul Karim Memon**  
Chairman

Karachi: February 21, 2020

# **AKD Opportunity Fund**

## **Financial Information - First Half FY20**

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# 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 Shahra-e-Faisal, Karachi.

## BANKERS

Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Soneri Bank Limited  
Summit Bank Limited  
United Bank Limited

## AUDITORS

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

## LEGAL ADVISER

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

## REGISTRAR

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

## DISTRIBUTORS

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

## RATING - AKDOF

BY PACRA  
Performance Ranking

5 year category: MFR 4- Star  
3 year category: MFR 4- Star  
1 year category: MFR 3- Star

## 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 AKD Opportunity Fund (AKDOF) 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:**

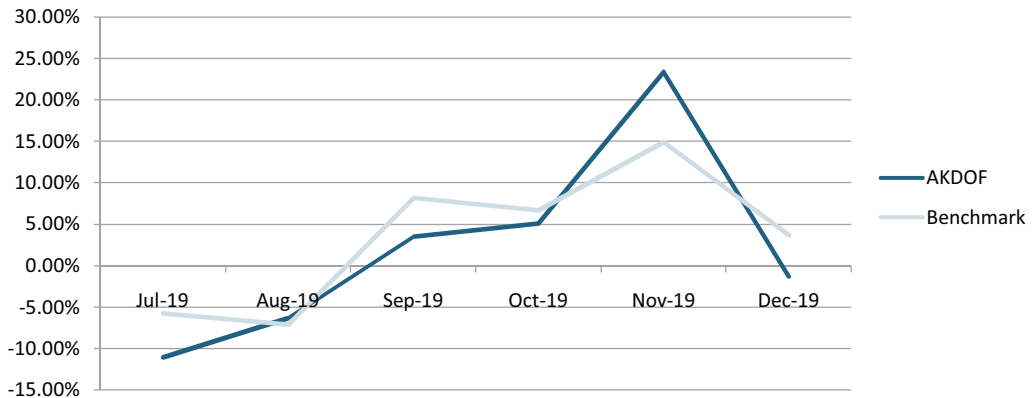
For the 1HFY20, the return of AKD Opportunity Fund stood at 10.54% compared to the benchmark KSE-100 Index return of 20.16%.

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

KSE-100 Index

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

**AKDOF PERFORMANCE RELATIVE TO BENCHMARK**



Monthly yield	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
<b>AKDOF</b>	-11.03%	-6.25%	3.52%	5.14%	23.38%	-1.31%
<b>Benchmark</b>	-5.79%	-7.10%	8.11%	6.62%	14.86%	3.68%

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

AKD Opportunity Fund is an open - end equity scheme. The returns of the Fund are generated through investment in value stocks which have strong growth potential.

- 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-19	30-Sep-19
Equities	96.34%	99.22%
Cash	1.17%	0.41%
Other Assets	2.49%	0.37%

- viii) Non-Compliant Investment

Name of Non Compliant Investment	Type of Investment	Value of Investment before Provision	Provision held if any	Value of Investment after Provision	Percentage of Net Assets	Percentage of Gross Assets
-----Rupees in '000-----						
TRG Corporation Limited	Equity	259,880	Nil	259,880	14.35%	13.68%
Javedan Corporation Limited	Equity	251,424	Nil	251,424	13.88%	13.23%

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

1HFY20 Return	10.54%
Benchmark Return	20.16%

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

Net Asset Value		Change in Net Assets	NAV Per Unit	
31-Dec-19	30-Sep-19		31-Dec-19	30-Sep-19
(Rupees In "000")			Rs.	Rs.
1,811,448	1,372,320	32.00%	72.97	57.00

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

### MACRO PERSPECTIVE

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

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

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

### **xii) Description and explanation of any significant changes in the state of the affairs of the Collective Investment Scheme during the period and up till the date of 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.

### **xiii) Disclosure of any split (if any), comprising:**

There were no unit splits during the period.

**xiv) Break down of unit holding size:**

<b>Range (Units)</b>	<b>No. of Investors</b>
0.1 - 9,999	1292
10,000 - 49,999	160
50,000 - 99,999	38
100,000 - 499,999	25
500,000 and above	7
	<b>1522</b>

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

Investments are subject to credit and market risk.

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

No soft commission has been received by the AMC from its 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, 2019 in accordance with the provisions of the following:

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

We would like to draw unit holder's attention towards the fact that exposure of the fund in shares of Javedan Corporation Limited as on December 31, 2019 reached 13.88% of the net assets; thus the fund is in non-compliance of Regulation 55(5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 which states that the exposure of a Collective Investment Scheme to any single entity shall not exceed an amount equal to ten percent of its total net assets. This non-compliance is prevailing since April 02, 2019 and we have reported the said issue to the Commission. Subsequently, the Management Company off loaded some of the excess exposure during the period and intent to align it on availability of competitive bid in the market.

#### **Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 28, 2020

## **REVIEW REPORT TO THE UNITHOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

### **Introduction**

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

### **Scope of Review**

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

### **Conclusion**

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

### **Other matter**

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

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

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4	22,322	7,676
Investments	5	1,830,268	1,760,656
Dividend and profit receivable on bank deposits	6	13,265	3,233
Deposits, prepayments and other receivables	7	33,931	2,855
<b>Total assets</b>		<b>1,899,786</b>	1,774,420
<b>Liabilities</b>			
Payable to the Management Company	8	14,507	13,358
Payable to the Trustee	9	275	247
Payable to Securities and Exchange Commission of Pakistan	10	156	2,108
Payable against purchase of investment		-	2,497
Accrued expenses and other liabilities	11	73,400	27,875
<b>Total liabilities</b>		<b>88,338</b>	46,085
<b>Net assets</b>		<b>1,811,448</b>	1,728,335
<b>Unit holders' fund (as per statement attached)</b>		<b>1,811,448</b>	1,728,335
<b>Contingencies and commitments</b>			
	12	<b>Number of units</b>	
<b>Number of units in issue</b>		<b>24,824,661</b>	26,182,787
		<b>Rupees</b>	
<b>Net assets value per unit</b>		<b>72.9697</b>	66.0103

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

For AKD Investment Management Limited  
(Management Company)

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

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

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

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

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

	Note	For the half year ended December 31,		For the quarter ended December 31,	
		2019	2018	2019	2018
-----('Rupees in '000) -----					
<b>Income</b>					
Capital gain on sale of investments 'at fair value through profit or loss'		39,017	69,845	57,764	56,007
Net unrealised appreciation / (diminution) on remeasurement of investments 'at fair value through profit or loss'	5.2	118,385	(321,382)	324,906	(202,511)
Dividend income		24,635	40,618	23,144	33,866
Profit on bank deposits		924	1,346	694	651
<b>Total income / (loss)</b>		<b>182,961</b>	<b>(209,573)</b>	<b>406,508</b>	<b>(111,987)</b>
<b>Expenses</b>					
Remuneration of the Management Company	8.1	15,571	24,250	8,333	11,718
Sales tax on the remuneration of the Management Company	8.2	2,024	3,153	1,083	1,523
Remuneration of the Trustee	9.1	1,281	1,717	668	838
Sales tax on the Trustee remuneration	9.2	172	231	91	113
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	156	1,152	80	557
Expenses allocated by the Management Company	8.4	779	1,213	417	587
Brokerage and settlement charges		2,246	2,085	1,484	1,298
Auditors' remuneration		131	124	64	48
Bank charges		56	80	38	43
Fee and subscription		232	270	68	147
Printing and stationary		75	68	37	17
Legal and professional charges		943	167	835	38
Provision against Sindh Workers' Welfare Fund		3,186	-	3,186	-
<b>Total expenses</b>		<b>26,852</b>	<b>34,510</b>	<b>16,384</b>	<b>16,927</b>
<b>Net income / (loss) for the year before taxation</b>		<b>156,109</b>	<b>(244,083)</b>	<b>390,125</b>	<b>(128,914)</b>
Taxation	14	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>156,109</b>	<b>(244,083)</b>	<b>390,125</b>	<b>(128,914)</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		156,109	-	390,125	-
Income already paid on units redeemed		(9,569)	-	(9,569)	-
		<b>146,541</b>	<b>-</b>	<b>380,556</b>	<b>-</b>
<b>Accounting income available for distribution:</b>					
Relating to capital gain		118,385	-	324,906	-
Excluding capital gains		28,155	-	55,650	-
		<b>146,541</b>	<b>-</b>	<b>380,556</b>	<b>-</b>

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

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

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

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

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

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

	Half year ended December 31,		For the quarter ended December 31,	
	2019	2018	2019	2018
	-----('Rupees in '000) -----			
<b>Net income / (loss) for the period after taxation</b>	<b>156,109</b>	(244,083)	<b>390,125</b>	(128,914)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>156,109</b>	(244,083)	<b>390,125</b>	(128,914)

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

For AKD Investment Management Limited  
 (Management Company)

**Imran Motiwala**  
 Chief Executive Officer

**Muhammad Munir Abdullah**  
 Chief Financial Officer

**Anum Dhedhi**  
 Director

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

	For the half year ended December 31, 2019			For the half year ended December 31, 2018		
	Rupees in '000					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
<b>Net assets at beginning of the period</b>	1,662,136	66,199	1,728,335	1,933,971	547,904	2,481,875
Issuance of 3,709,343 units (2018: 18,279,405 units)						
- Capital value (at net asset value per unit at the beginning of period)	244,855	-	244,855	1,514,527	-	1,514,527
- Element of income	(652)	-	(652)	(56,911)	-	(56,911)
Total proceeds on issuance of units	244,203	-	244,203	1,457,616	-	1,457,616
Redemption of 5,067,468 units (2018: 20,500,711 units)						
- Capital value (at net asset value per unit at the beginning of period)	334,505	-	334,505	1,698,572	-	1,698,572
- Amount paid out of element of income relating to net income for the period after taxation	-	(9,569)	(9,569)	-	-	-
- Element of Income	(7,737)	-	(7,737)	(66,170)	-	(66,170)
Total payments on redemption of units	326,768	(9,569)	317,199	1,632,402	-	1,632,402
Total comprehensive income / (loss) for the period	-	156,109	156,109	-	(244,083)	(244,083)
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	156,109	156,109	-	(244,083)	(244,083)
<b>Net assets at end of the period</b>	<b>1,579,571</b>	<b>212,740</b>	<b>1,811,448</b>	1,759,185	303,821	2,063,006
<b>Distribution for the period</b>						
Undistributed income brought forward						
- Realised	-	562,888	562,888	-	939,338	939,338
- Unrealised	-	(496,689)	(496,689)	-	(391,434)	(391,434)
	-	66,199	66,199	-	547,904	547,904
Accounting loss for the period	-	-	-	-	(244,083)	(244,083)
Accounting income available for distribution						
- Relating to capital gains	-	118,385	118,385	-	-	-
- Excluding capital gains	-	28,155	28,155	-	-	-
	-	146,541	146,541	-	-	-
Undistributed income carried forward	-	212,740	212,740	-	303,821	303,821
Undistributed income carried forward						
- Realised	-	94,354	94,354	-	625,203	625,203
- Unrealised	-	118,385	118,385	-	(321,382)	(321,382)
	-	212,740	212,740	-	303,821	303,821
Net assets value per unit at beginning of the period			<u>66.0103</u>			<u>82.8500</u>
Net assets value per unit at end of the period			<u>72.9697</u>			<u>74.3900</u>

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

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

**Imran Motiwala**  
Chief Executive Officer

**Muhammad Munir Abdullah**  
Chief Financial Officer

**Anum Dhedhi**  
Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

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

	For the half year ended December 31,		For the quarter ended December 31,	
	2019	2018	2019	2018
Note	-----('Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income / (loss) for the period before taxation	<b>156,109</b>	(244,083)	<b>390,125</b>	(128,914)
<b>Adjustments</b>				
Net unrealised diminution on remeasurement of investments at fair value through profit or loss'	<b>(118,385)</b>	321,382	<b>(324,906)</b>	202,511
Provision against Sindh Workers' Welfare Fund	<b>3,186</b>	-	<b>3,186</b>	-
	<b>40,910</b>	77,299	<b>68,404</b>	73,597
<b>(Increase) / decrease in assets</b>				
Dividend and profit receivable on bank deposits	<b>(10,046)</b>	3,418	<b>(12,371)</b>	4,193
Other receivables	<b>(31,062)</b>	(6,138)	<b>(29,550)</b>	(6,138)
	<b>(41,108)</b>	(2,720)	<b>(41,921)</b>	(1,945)
<b>Increase / (decrease) in liabilities</b>				
Payable to the Management Company	<b>1,149</b>	(702)	<b>1,695</b>	(318)
Payable to Securities and Exchange Commission of Pakistan	<b>(1,952)</b>	(1,469)	<b>80</b>	557
Payable to the Trustee	<b>28</b>	(34)	<b>56</b>	(14)
Payable against redemption of units	<b>38,973</b>	3,377	<b>38,448</b>	55,161
Payable against purchase of investment	<b>(2,497)</b>	5,088	<b>(16)</b>	7,690
Accrued expenses and other liabilities	<b>3,366</b>	(206)	<b>3,125</b>	693
	<b>39,067</b>	6,054	<b>43,388</b>	63,769
Investments - net	<b>48,773</b>	100,995	<b>(102,367)</b>	32,811
<b>Net cash generated from / (used in) operating activities</b>	<b>87,642</b>	181,628	<b>(32,496)</b>	168,232
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Amount received on issue of units	<b>244,203</b>	1,457,616	<b>170,089</b>	916,541
Payment against redemption of units	<b>(317,199)</b>	(1,632,402)	<b>(121,085)</b>	(1,082,929)
<b>Net cash (used in) / generated from financing activities</b>	<b>(72,996)</b>	(174,786)	<b>49,004</b>	(166,388)
<b>Net increase in cash and cash equivalents</b>	<b>14,646</b>	6,842	<b>16,508</b>	1,844
Cash and cash equivalents at beginning of the period	<b>7,676</b>	13,444	<b>5,814</b>	18,442
<b>Cash and cash equivalents at end of the period</b>	<b>22,322</b>	20,286	<b>22,322</b>	20,286

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

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

**Imran Motiwala**  
Chief Executive Officer

**Muhammad Munir Abdullah**  
Chief Financial Officer

**Anum Dhedhi**  
Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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

- 1.1** 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 Asset 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 December 07, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 19, 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.
- 1.2** The Management Company of the Fund has obtained a license to act as an Asset Management Company under the NBFC Rules from SECP. Registered office of the Management Company is situated at Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.
- 1.3** The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund.
- 1.4** The Fund is categorized as Equity Scheme as per circular 7 of 2009 by SECP. The principal activity of the Fund is to make investments in listed securities, cash in bank account, TDRs and T-bills not exceeding 90 days maturity period.
- 1.5** The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of 'AM3++' to the Management Company dated August 09, 2019. PACRA has also assigned performance ranking of "MFR 3-Star" to the Fund in performance period of 1 year and "MFR 4-Star" in 3 year categories on August 30, 2019.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

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

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

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulation and requirements of the Trust Deed have been followed.

- 2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

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

- 3.1** The accounting policies adopted in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2019.
- 3.2** The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2019.
- 3.3** There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
<b>4. BANK BALANCES</b>			
In savings accounts	4.1	22,177	7,521
In current accounts		145	155
		22,322	7,676

## AKD Opportunity Fund - Half Yearly Report December 2019

- 4.1 Mark-up rates on these accounts range between 11.25% to 11.50% per annum (June 30, 2019: 10.25% to 10.50% per annum).

	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
<b>5. INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Listed equity securities	5.1	<b>1,830,268</b>	1,760,656

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

Name of the Investee Company	Face value per share (Rupees)	----- Number of shares -----					Balance as at December 31, 2019			Market value as percentage of total investments	Market value as a percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee
		As at July 1, 2019	Purchases during the period	Bonus / right issue received during the period	Sold / Disposed	As at December 31, 2019	Carrying value	Market value	Un-realised gain/ (loss) on revaluation			
----- (Rupees in '000) -----												
----- (Percentage) -----												
<b>Automobile Assembler</b>												
Atlas Honda Limited	10	120,000	-	-	120,000	-	-	-	-	-	-	-
Ghandhara Industries	10	25,000	-	-	-	25,000	2,184	3,332	1,148	0.18	0.18	0.06
Ghandhara Nissan Ltd	10	126,665	-	-	-	126,665	6,641	9,648	3,007	0.53	0.53	0.22
Honda Atlas Cars (Pakistan) Limited	10	255,050	-	-	155,050	100,000	14,832	21,894	7,062	1.20	1.21	0.09
							<b>23,657</b>	<b>34,874</b>	<b>11,217</b>	<b>1.91</b>	<b>1.93</b>	<b>0.37</b>
<b>Automobile Parts &amp; Accessories</b>												
General Tyre & Rubber Company Of Thal Limited	10	40,290	50,000	18,058	-	108,348	4,348	6,041	1,693	0.33	0.33	0.11
	5	270,500	-	-	20,500	250,000	91,015	84,558	(6,458)	4.62	4.67	0.33
							<b>95,363</b>	<b>90,599</b>	<b>(4,764)</b>	<b>4.95</b>	<b>5.00</b>	<b>0.44</b>
<b>Cable &amp; Electrical Goods</b>												
Pakistan Cables Limited	10	466,725	7,600	-	-	474,325	66,377	61,662	(4,715)	3.37	3.40	1.33
<b>Cement</b>												
Cheerat Cement Limited	10	-	109,550	10,950	120,500	-	-	-	-	-	-	-
Javedan Corporation Limited (Note 5.1.3)	10	7,561,020	-	754,802	18,000	8,297,822	241,467	251,424	9,957	13.74	13.88	2.88
							<b>241,467</b>	<b>251,424</b>	<b>9,957</b>	<b>13.74</b>	<b>13.88</b>	<b>2.88</b>
<b>Chemicals</b>												
Akzo Nobel Pakistan Limited	10	6,200	-	-	-	6,200	620	1,667	1,047	0.09	0.09	0.01
Archroma Pakistan Limited	10	-	500	-	500	-	-	-	-	-	-	-
Biafo Industries Limited	10	158,750	-	-	158,750	-	-	-	-	-	-	-
Buxly Paints Limited	10	31,500	-	-	-	31,500	1,377	1,418	41	0.08	0.08	2.19
Lotte Chemical Pakistan Limited	10	-	200,000	-	-	200,000	3,049	2,804	(245)	0.15	0.15	0.01
Nimir Industrial Chemical Limited	10	109,624	-	-	-	109,624	5,606	6,253	647	0.34	0.35	0.10
							<b>10,652</b>	<b>12,141</b>	<b>1,490</b>	<b>0.66</b>	<b>0.67</b>	<b>2.31</b>
<b>Commercial Banks</b>												
Bank Alfalah Limited	10	-	200,500	-	-	200,500	8,815	9,163	348	0.50	0.51	0.01
Bank Islami Pakistan Limited	10	14,460,567	335,000	1,192,106	8,784,500	7,203,173	81,734	79,883	(1,851)	4.36	4.41	0.81
Habib Bank Limited	10	30,700	110,000	-	140,700	-	-	-	-	-	-	-
National Bank Of Pakistan	10	400,000	339,000	-	639,000	100,000	3,826	4,330	504	0.24	0.24	-
Samba Bank Limited	10	412,000	-	-	-	412,000	2,261	3,296	1,035	0.18	0.18	0.04
Summit Bank Limited	10	12,132,000	-	-	12,132,000	-	-	-	-	-	-	-
The Bank of Punjab	10	-	3,803,000	-	50,000	3,753,000	40,527	42,521	1,995	2.32	2.35	0.14
							<b>137,163</b>	<b>139,193</b>	<b>2,031</b>	<b>7.61</b>	<b>7.68</b>	<b>1.00</b>
<b>Engineering</b>												
Aisha Steel Mills Limited	10	1,750,000	-	-	1,750,000	-	-	-	-	-	-	-
Amreli Steels Limited	10	466,500	500,000	-	966,500	-	-	-	-	-	-	0.01
Dost Steel Limited	10	46,500	-	-	-	46,500	160	222	62	0.01	0.01	0.01
International Industries Limited	10	113,400	10,000	11,340	4,740	130,000	9,134	14,409	5,275	0.79	0.80	0.11
Pakistan Engineering Company Limited	10	6,900	-	-	-	6,900	774	787	13	0.04	0.04	0.12
							<b>10,068</b>	<b>15,418</b>	<b>5,350</b>	<b>0.84</b>	<b>0.85</b>	<b>0.25</b>

Name of the Investee Company	Face value per share (Rupees)	----- Number of shares -----					Balance as at December 31, 2019			Market value as percentage of total investments	Market value as a percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee
		As at July 1, 2019	Purchases during the period	Bonus / right issue received during the period	Sold / Disposed	As at December 31, 2019	Carrying value	Market value	Un-realised gain/ (loss) on revaluation			
----- (Rupees in '000) -----												
----- (Percentage) -----												
<b>Food &amp; Personal Care-Products</b>												
Al Shaheer Corporation Limited	10	2,791,000	700,000	-	22,000	3,469,000	44,124	49,017	4,892	2.68	2.71	2.44
Frieslandcampina Enaro Pakistan Limited	10	295,000	-	-	89,500	205,500	11,987	16,296	4,309	0.89	0.90	-
Fauji Foods Limited	10	1,297,500	2,350,500	-	3,648,000	-	-	-	-	-	-	0.04
Matco Foods Limited	10	-	779,500	-	-	779,500	21,901	20,025	(1,875)	1.09	1.11	0.64
National Foods Limited	10	346,300	-	69,260	380,000	35,560	5,457	7,895	2,437	0.43	0.44	0.03
Quice Food Industries Limited	10	5,378,000	-	-	-	5,378,000	14,574	19,468	4,894	1.06	1.07	5.46
Treet Corporation Limited	10	113,395	-	-	113,395	-	-	-	-	-	-	-
							<b>98,044</b>	<b>112,702</b>	<b>14,658</b>	<b>6.16</b>	<b>6.22</b>	<b>8.61</b>
<b>Glass &amp; Ceramics</b>												
Balochistan Glass Limited	10	1,300,000	-	-	-	1,300,000	5,213	7,670	2,457	0.42	0.42	0.50
Ghani Glass Limited	10	61,750	-	-	13,500	48,250	2,121	2,388	268	0.13	0.13	0.01
							<b>7,334</b>	<b>10,058</b>	<b>2,725</b>	<b>0.55</b>	<b>0.56</b>	<b>0.51</b>
<b>Insurance</b>												
Askari General Insurance Company Limited	10	779,533	-	-	-	779,533	15,980	19,488	3,508	1.06	1.08	1.25
EFU General Insurance Limited	10	455,600	2,000	-	101,000	356,600	35,779	39,333	3,554	2.15	2.17	0.02
Pakistan Reinsurance Company Limited	10	239,000	-	-	-	239,000	5,965	7,029	1,064	0.38	0.39	0.08
TPL Insurance Limited	10	80,397	2,998,000	-	-	3,078,397	76,634	79,022	2,389	4.32	4.36	3.28
							<b>134,358</b>	<b>144,873</b>	<b>10,515</b>	<b>7.92</b>	<b>8.00</b>	<b>4.63</b>
<b>Investment banks / INV COS / Securities</b>												
Jahanair Siddiqui Co.Limited		5,500,000	546,500	-	-	6,046,500	66,997	69,172	2,175	3.78	3.82	0.66
Js Investments Ltd	10	3,168,000	110,000	-	-	3,278,000	50,826	53,136	2,310	2.90	2.93	4.09
Pakistan Stock Exchange Limited	10	1,206,121	7,224,500	-	-	8,430,621	104,195	105,214	1,020	5.75	5.81	1.05
							<b>222,018</b>	<b>227,523</b>	<b>5,505</b>	<b>12.43</b>	<b>12.56</b>	<b>5.80</b>
<b>Miscellaneous</b>												
TPL Properties Limited	10	2,992,500	-	-	-	2,992,500	24,808	17,955	(6,853)	0.98	0.99	0.91
Tri-Pack Films	10	50,000	-	-	-	50,000	3,318	4,209	892	0.23	0.23	0.13
							<b>28,125</b>	<b>22,164</b>	<b>(5,961)</b>	<b>1.21</b>	<b>1.22</b>	<b>1.04</b>
<b>Oil &amp; Gas Marketing Companies</b>												
Pakistan State Oil Company Limited	10	-	35,000	-	-	35,000	6,159	6,707	548	0.37	0.37	-
<b>Paper And Board</b>												
Pakistan Paper Products Limited	10	114,000	-	-	-	114,000	12,882	10,260	(2,622)	0.56	0.57	1.43
Roshan Packages Limited	10	-	364,000	-	-	364,000	7,235	7,699	464	0.42	0.42	0.26
							<b>20,117</b>	<b>17,959</b>	<b>(2,158)</b>	<b>0.98</b>	<b>0.99</b>	<b>1.69</b>
<b>Pharmaceuticals</b>												
Glaxo Smithkline	10	230,200	-	-	55,200	175,000	16,683	28,100	11,417	1.54	1.55	0.05
Searle Pakistan	10	91,346	50,000	-	41,346	100,000	17,428	18,874	1,446	1.03	1.04	0.05
							<b>34,110</b>	<b>46,974</b>	<b>12,863</b>	<b>2.57</b>	<b>2.57</b>	<b>0.10</b>

Name of the Investee Company	Face value per share (Rupees)	----- Number of shares -----					Balance as at December 31, 2019			Market value as percentage of total investments	Market value as a percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee
		As at July 1, 2019	Purchases during the period	Bonus / right issue received during the period	Sold / Disposed	As at December 31, 2019	Carrying value	Market value	Un-realised gain/ (loss) on revaluation			
----- (Rupees in '000) -----												
----- (Percentage) -----												
<b>Power Generation &amp; Distribution</b>												
Japan Power Generation Limited (note	10	4,261,500	-	-	-	4,261,500	0.426	0.426	-	0.00	0.00	2.73
K-Electric Limited	3.5	29,120,000	1,768,000	-	5,888,000	25,000,000	108,327	109,250	923	5.97	6.03	0.09
Nishat Chunion Power Limited	10	200,000	-	-	-	200,000	3,482	3,840	358	0.21	0.21	0.05
							<b>111,809</b>	<b>113,090</b>	<b>1,281</b>	<b>6.18</b>	<b>6.24</b>	<b>2.87</b>
<b>Refinery</b>												
Attock Refinery Limited	10	-	50,000	-	-	50,000	4,947	5,585	638	0.31	0.31	0.05
National Refinery Limited	10	-	151,900	-	4,900	147,000	19,423	20,739	1,246	1.13	1.14	0.18
							<b>24,440</b>	<b>26,323</b>	<b>1,883</b>	<b>1.44</b>	<b>1.45</b>	<b>0.23</b>
<b>Sugar &amp; Allied Industries</b>												
Imperial Sugar Limited	10	141,500	-	-	-	141,500	<b>1,694</b>	<b>2,052</b>	<b>358</b>	<b>0.11</b>	<b>0.00</b>	<b>0.14</b>
<b>Synthetics And Rayon</b>												
Pakistan Synthetics Limited	10	508,000	-	254,000	-	762,000	<b>16,561</b>	<b>13,716</b>	<b>(2,845)</b>	<b>0.75</b>	<b>0.01</b>	<b>1.36</b>
<b>Technology &amp; Communication</b>												
Hum Network Limited	1	16,060,000	25,000	-	-	16,085,000	50,978	51,633	655	2.82	2.85	1.70
Pakistan Telecommunication Company	10	2,000,000	-	-	1,250,000	750,000	6,203	7,020	818	0.38	0.39	0.02
Systems Limited	10	-	100,000	-	-	100,000	11,000	12,430	1,430	0.68	0.69	0.09
TPL Corp Limited	10	385,500	-	-	-	385,500	1,881	1,704	(177)	0.09	0.09	0.14
TRG Pakistan Limited (note 5.1.1 and 5.1.2)	10	10,585,745	-	-	-	10,585,745	173,183	259,880	86,697	14.20	14.35	1.94
Worldcall Telecom Limited	10	1,000,000	-	-	-	1,000,000	700	1,380	680	0.08	0.08	0.07
							<b>243,945</b>	<b>334,047</b>	<b>90,102</b>	<b>18.25</b>	<b>18.44</b>	<b>3.96</b>
<b>Textile Composite</b>												
Dawood Lawrencepur Limited	10	50,000	-	-	50,000	-	525	640	114	0.03	0.04	0.01
Nishat (Chunion) Limited	10	15,000	-	-	-	15,000	-	-	-	-	-	-
							<b>525</b>	<b>640</b>	<b>114</b>	<b>0.03</b>	<b>0.04</b>	<b>0.01</b>
<b>Textile Spinning</b>												
Colony Textile Mills Limited	10	400,000	-	-	-	400,000	1,124	1,220	96	0.07	0.07	0.08
Crescent Fibres Limited	10	37,000	-	-	-	37,000	1,404	1,424	19	0.08	0.08	0.30
Ellicot Spinnina Mills Limited	10	666,638	-	-	-	666,638	52,661	47,998	(4,663)	2.62	2.65	6.09
Fazal Cloth Mills Limited	10	600	-	-	-	600	84	95	11	0.01	0.01	-
Island Textile Mills Ltd.	10	34,950	-	-	-	34,950	74,793	48,406	(26,387)	2.64	2.67	6.99
Premium Textile Mills Limited	10	10,000	-	-	-	10,000	2,111	2,441	330	0.13	0.13	0.16
Saif Textile Mills Limited	10	141,000	-	-	-	141,000	1,348	2,394	1,046	0.13	0.13	0.53
Saffi Textile Mills Limited	10	-	-	25,604	-	25,604	0,026	2,535	2,535	0.14	0.14	0.07
Tata Textile Mills Limited	10	-	-	30,392	-	30,392	0,030	745	745	0.04	0.04	0.18
							<b>133,525</b>	<b>107,257</b>	<b>(26,268)</b>	<b>5.86</b>	<b>5.92</b>	<b>14.40</b>
<b>Textile Weaving</b>												
Samin Textiles Limited	10	53,500	-	-	-	53,500	<b>161</b>	<b>278</b>	<b>118</b>	<b>0.02</b>	<b>0.00</b>	<b>0.20</b>
<b>Vanaspati &amp; Allied Industries</b>												
Punjab Oil Mills Limited	10	201,400	-	-	-	201,400	40,220	34,540	(5,680)	1.89	1.91	3.74
S.S. Oil Mills Limited	10	156,500	-	-	-	156,500	3,992	4,055	63	0.22	0.22	2.77
							<b>44,212</b>	<b>38,595</b>	<b>(5,617)</b>	<b>2.11</b>	<b>2.13</b>	<b>6.51</b>
<b>Total as at December 31, 2019</b>							<b>1,711,883</b>	<b>1,830,268</b>	<b>118,385</b>			
Total as at June 30, 2019							2,257,345	1,760,656	(496,689)			

- 5.1.1** This includes 2,500,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.
- 5.1.2** The exposure limit of investment in a single company as a percentage of net assets exceeded by 4.35% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.
- 5.1.3** The exposure limit of investment in a single company as a percentage of net assets exceeded by 3.88% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.
- 5.1.4** 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. Since December 18, 2017.

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
<b>5.2</b>	<b>Net unrealised appreciation / (diminution) on re-measurement investments of at fair value through profit or loss'</b>		
	Market value of investments	1,830,268	1,760,656
	Carrying amount of investments	(1,711,883)	(2,257,345)
		<b>118,385</b>	<b>(496,689)</b>
<b>6.</b>	<b>DIVIDEND AND PROFIT RECEIVABLE ON BANK DEPOSITS</b>		
	Profit on bank balance	153	134
	Dividend receivable	13,112	3,099
		<b>13,265</b>	<b>3,233</b>
<b>7.</b>	<b>DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
	Security deposits with		
	- National Clearing Company of Pakistan Limited	2,500	2,500
	- Central Depository Company of Pakistan Limited	100	100
	Prepaid PSX listing fee	14	-
	Receivable against sale of investment.	31,142	80
	Other receivables	175	175
		<b>33,931</b>	<b>2,855</b>

- 7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the period ended December 31, 2019, withholding tax on profit on debt and dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) /2008-VOL.II - 66417- R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. Other receivables include tax withheld on profit on debt amounts to Rs. 0.141 million (June 30, 2019: Rs. 0.141 million) and tax withheld on dividend Re. 0.034 (June 30, 2019: Re. 0.034).

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
8.	PAYABLE TO MANAGEMENT COMPANY	Note	
	Remuneration	8.1	2,767
	Sales tax on management fees	8.2	360
	Federal Excise Duty on Management Remuneration	8.3	10,092
	Reimbursable expenses payable to management	8.4	139
			<u>14,507</u>
			<u>13,358</u>

- 8.1** The Management Company charged remuneration at the rate of 2 percent per annum of the average daily net assets of the Fund (June 30, 2019: 2 percent per annum).
- 8.2** Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.
- 8.3** 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.

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 has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made amounting to Rs 10.092 million is being retained in the condensed interim 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 condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2019 would have been higher by Re 0.4065 per unit (June 30, 2019: Re 0.3845 per unit).

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

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for the periods i.e. from July 1, 2019 to December 31, 2019, being lower than actual expenses

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
<b>9.</b>	<b>PAYABLE TO THE TRUSTEE</b>		
	Trustee fee	9.1 <u>242</u>	218
	Sindh Sales Tax	9.2 <u>33</u>	<u>29</u>
		<u><u>275</u></u>	<u><u>247</u></u>

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

**Net assets upto 1 billion**

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

**Net assets upto 1 billion**

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

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

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
<b>10.</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>		
	Annual fee payable to SECP	10.1 <u>156</u>	<u>2,108</u>

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

	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
----- (Rupees in '000) -----			
<b>11. ACCRUED AND OTHER LIABILITIES</b>			
Brokerage payable		3,036	500
Auditors remuneration		396	266
Printing charges payable		163	100
Redemption proceed payable		38,973	-
Provision against Sindh Workers' Welfare Fund	11.1	29,137	25,951
Withholding tax payable		636	76
Zakat payable		8	-
Unclaimed dividend		255	255
Others		796	727
		<b>73,400</b>	<b>27,875</b>

**11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision not been made, net assets value per unit would have been higher by Rs. 1.1737 (June 30, 2019: Re 0.9911)

## 12. CONTINGENCIES AND COMMITMENTS

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

## 13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the maximum limit is to be capped at 4.5% (December 30, 2018: 4%) at daily average net assets of Fund, prescribed under NBFC Regulations of collective investment scheme categorised as equity scheme Scheme. The total expense ratio of the Fund is 1.73% (December 31, 2018: 1.43%) and this includes 0.38% (December 31, 2018: 0.2%) representing Government levy and SECP fee.

## 14. TAXATION

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

## 15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AKD Investment Management Limited, being the Central Depository Company Limited, being the Trustee, Aqeel Karim Dhedhi Securities (Private) Limited, AKD Securities Limited, directors, officers and other connected persons of the Management Company, and directors of the Company and their connected persons.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates. Details of transactions and balances with connected persons are as follows:

		(Unaudited)	
		For the half year ended	
		December 31,	
		2019	2018
		----- (Rupees in '000) -----	
<b>15.1 Transactions during the period</b>			
<b>AKD Investment Management Limited - Management Company</b>			
Remuneration to Management Company	15,571	24,250	
Expenses allocated by the Management Company	779	1,213	
Sindh Sales Tax on Management Company	2,024	3,152	
Sales load	175	138	
Units redeemed : Nil (2018: 9,932)	-	829	
<b>Central Depository Company of Pakistan Limited - Trustee of the Fund</b>			
Trustee remuneration	1,281	1,717	
Sindh Sales Tax on trustee remuneration	172	231	
CDS charges for the period	42	59	
<b>AKD Islamic Stock Fund - Common Management Company</b>			
Shares purchased by AKD Islamic Stock Fund	-	3,135	
<b>AKD Securities Limited</b>			
Brokerage Expense	89	206	
<b>Mr. Imran Motiwala</b>			
<b>The Chief Executive Officer of the Management Company</b>			
Units issued : 19,851 (2018: 53,634)	1,156	4,138	
Units redeemed : 19,869 (2018: 23,455)	1,156	1,883	
<b>Spouse of the Chief Executive Officer of the Management Company</b>			
Units issued : Nil (2018: 1,707,743)	-	130,543	
Units redeemed : 142,731 (2018: 1,597,834)	10,000	126,010	
<b>Mr. Muhammad Yaqoob</b>			
<b>The Chief Operating Officer and Company Secretary</b>			
Units issued : Nil (2018: 7,568)	-	614	
Units redeemed : 4,730 (2018: 10,803)	266	864	
<b>Mr. Ubaid ur Rehman</b>			
<b>Head of Retail Sales</b>			
Units redeemed : 641 (2018: Nil)	37	-	
<b>AKD Investment Management Limited Staff</b>			
<b>Provident Fund</b>			
Units issued : 1,680 (2018: 27,810)	125	2,100	
Units redeemed : Nil (2018: 63,674)	-	5,110	

## AKD Opportunity Fund - Half Yearly Report December 2019

	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	----- (Rupees in '000) -----	
<b>15.2 Balances outstanding at the period / year end</b>		
<b>AKD Investment Management Limited - Management Company</b>		
Remuneration payable	3,217	2,767
Sales Tax Provincial on Management Remuneration	418	360
Federal Excise Duty payable on Management	10,092	10,092
Allocated expenses by the Management Company	780	139
Sales Load Payable	174	32
<b>Central Depository Company of Pakistan Limited - Trustee of the Fund</b>		
Remuneration payable	242	218
Sales tax on trustee remuneration payable	33	29
Security deposit	100	100
CDS charges payable	13	5
<b>Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund</b>		
Units outstanding : 72,003 (June 30, 2019: 72,003)	5,254	4,753
<b>Arabian Sea Enterprises Limited (having invested more than 10% in the units of the Fund)</b>		
Units outstanding : 3,573,194 (June 30, 2019: 3,573,194)	260,735	235,868
<b>AKD Investment Management Limited Staff Provident Fund</b>		
Units outstanding : 68,685 (June 30, 2019: 67,005)	5,012	4,423
<b>Mr. Ameer Arif Dagha</b>		
<b>Spouse of the Director of the Management Company</b>		
Units outstanding : 137,627 (June 30, 2019: 137,627)	10,043	9,085
<b>Spouse - Chief Executive Officer of the Management Company</b>		
Units outstanding : 694,581 (June 30, 2019: 837,312)	50,683	55,271
<b>Ms. Afsheen Aqeel Dhedhi</b>		
<b>Close relative of Mr. Aqeel Karim Dhedhi</b>		
Units outstanding : 61 (June 30, 2019: 61)	4	4
<b>Ms. Ayesha Aqeel Dhedhi</b>		
<b>Close relative of Mr. Aqeel Karim Dhedhi</b>		
Units outstanding : 121 (June 30, 2019: 121)	9	8
<b>Mr. Imran Motiwala</b>		
<b>The Chief Executive Officer of the Management Company</b>		
Units outstanding : 73,485 (June 30, 2019: 73,503)	5,362	4,852
<b>Mr. Muhammad Yaqoob</b>		
<b>The Chief Operating Officer and Company Secretary</b>		
Units outstanding : 7,568 (June 30, 2019: 12,298)	552	812

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	<b>(Un-Audited)</b> <b>December 31,</b> <b>2019</b>	<b>(Audited)</b> <b>June 30, 2019</b>
	----- (Rupees in '000) -----	
<b>Mr. Hasan Ahmed</b> <b>Director of the Management Company</b> Units outstanding : 21,385 (June 30, 2019: 21,385)	<b>1,560</b>	1,412
<b>Mr. Toqir Hussain</b> <b>Head of Information Technology</b> Units outstanding : 65 (June 30, 2019: 65)	<b>5</b>	4
<b>Mr. Ubaid ur Rehman</b> <b>Head of Retail Sales</b> Units outstanding : Nil (June 30, 2019: 641)	<b>-</b>	42
<b>Mr. Murtaza Wahab Siddiqui</b> <b>Spouse of the Director of the Management Company</b> Units outstanding : 36,068 (June 30, 2019: 36,068)	<b>2,632</b>	2,381
<b>Mr. Ali Wahab Siddiqui</b> <b>Director of the Management Company</b> Units outstanding : 1,829 (June 30, 2019: 1,829)	<b>133</b>	121
<b>AKD Securities Limited - Brokerage House</b> Brokerage payable on purchase and sale of marketable securities	<b>79</b>	97

### 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

## AKD Opportunity Fund - Half Yearly Report December 2019

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

		December 31, 2019 (Un-audited)					
		Carrying amount			Fair Value		
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Note</b>		----- (Rupees in '000) -----					
<b>Financial assets measured at fair value</b>							
Investment		1,830,268	-	1,830,268	1,830,268	-	-
<b>Financial assets not measured at fair value</b>							
Bank balances	16.1	-	22,177	22,177			
Dividend and profit receivable		-	13,265	13,265			
Deposits and other receivables		-	31,317	31,317			
		-	66,759	66,759			
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	16.1	-	14,507	14,507			
Payable to the Trustee		-	275	275			
Accrued expenses and other liabilities		-	43,627	43,627			
		-	58,409	58,409			
		----- (Rupees in '000) -----					
		June 30, 2019 (Audited)					
		Carrying amount			Fair Value		
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Note</b>		----- (Rupees in '000) -----					
<b>Financial assets measured at fair value</b>							
Investments - Listed equity securities		1,760,656	-	1,760,656	1,760,656	-	-
<b>Financial assets not measured at fair value</b>							
Bank balances	16.1	-	7,810	7,810			
Dividend and profit receivable on bank deposits		-	3,099	3,099			
Deposits, prepayments and other receivables		-	2,680	2,680			
		-	13,589	13,589			
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	16.1	-	13,358	13,358			
Payable to Trustee		-	247	247			
Accrued expenses and other liabilities		-	1,924	1,924			
		-	15,529	15,529			

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

## 18. GENERAL

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

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

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

### **19. DATE OF AUTHORISATION FOR ISSUE**

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

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

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**Imran Motiwala**  
Chief Executive Officer

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**Muhammad Munir Abdullah**  
Chief Financial Officer

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**Anum Dhedhi**  
Director



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Management Ltd.**

Printed by: KODWAVI

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