

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

**Quarterly Report**  
**September 30, 2020**  
**(Un-Audited)**



# quarterly report



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



**AKD Investment  
Management Ltd.**

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**MANAGEMENT COMPANY**

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

**Director**  
Ms. Anum Dhedhi  
Ms. Aysha Ahmed  
Mr. Ali Wahab Siddiqui  
Mr. Hasan Ahmed  
Mr. Saim Mustafa Zuberi

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

Mr. Muhammad Yaqoob Sultan, CFA

**CHIEF FINANCIAL OFFICER  
OF THE MANAGEMENT COMPANY**

Muhammad Munir Abdullah

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

Ms. Tayyaba Masoom Ali

**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 Limited  
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*

# AKD Cash 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

Allied Bank Limited  
Askari Bank Limited  
Bank AL Habib Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
United Bank Limited

## AUDITORS

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

## 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)

## DISTRIBUTOR

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

## RATING

AKD CASH FUND  
PACRA: AA+(f) [Double A Plus (f)]

# 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), Golden Arrow stock Fund (GASF) and AKD Islamic Stock Fund (AKDISSF) is pleased to present its first quarter report along with the Funds' un-audited Financial Statements for the Quarter ended September 30, 2020.

## FUNDS' FINANCIAL PERFORMANCE

### AKD Opportunity Fund (AKDOF)

For the 1QFY21, the return of AKD Opportunity Fund stood at 44.19% compared to the benchmark KSE-100 Index return of 17.87%.

### Golden Arrow Stock Fund (GASF)

For the 1QFY21, the return of Golden Arrow Stock Fund - (Formerly: Golden Arrow Selected Stocks Fund Limited) stood at 38.67% compared to the benchmark KSE-100 Index return of 17.87%.

### AKD Index Tracker Fund (AKDITF)

For the 1QFY21, the return of AKD Index Tracker Fund stood at 16.80% compared to the benchmark KSE-100 Index return of 17.87%.

### AKD Cash Fund (AKDCF)

For the 1QFY21, the annualized return of AKD Cash Fund stood at 6.43% compared to the benchmark return of 6.72%.

### AKD Aggressive Income Fund (AKDAIF)

For the 1QFY21, the annualized return of AKD Aggressive Income Fund stood at 4.81% compared to the benchmark return of 7.34%.

### AKD Islamic Income Fund (AKDISIF)

For the 1QFY21, the annualized return of AKD Islamic Income Fund stood at 8.04% compared to the benchmark return of 4.42%.

### AKD Islamic Stock Fund (AKDISSF)

For the 1QFY21, the return of AKD Islamic Stock Fund stood at 31.60% compared to the benchmark KMI-30 Index return of 17.72%.

## MACRO PERSPECTIVE

After witnessing negative GDP growth of 0.38% during FY20, owing to halted economic activities due to COVID-19 outbreak, Pakistan witnessed a revival during 1QFY21 as business activities resumed after the country successfully flattened the curve of COVID-19. According to the State Bank of Pakistan (SBP), Pakistan's GDP has increased by 3.24% to USD 68.21 billion during 1QFY21 as compared to USD 66.07 billion reported during same period last year (SPLY). After witnessing Current Account Deficit (CAD) since 4QFY15, the external account turned into surplus during 1QFY21, resulting in strengthening of local currency against US dollar. Tax collection also exceeded its target by ~PKR 34 billion following recovery in Large Scale Manufacturing (LSMI) sectors.

The external account for 1QFY21 turned into surplus of USD 792 million (1.16% of GDP) as compared to a deficit of USD 1,492 million (2.26% of GDP) recorded during the same period last year. This can be attributed to improvement in Balance on trade in Goods and Services by 5.78%YoY to USD -5.79 billion as compared to USD -6.15 billion recorded during SPLY. The Exports of Goods and Services declined by 9.57%YoY to USD 6.58 billion owing to shutdown of export destinations. However, Imports of Goods and Services decreased by 7.84%YoY to USD 12.37 billion on the back of declining international oil prices coupled with decrease in import of vehicles. Workers' Remittances surged by ~31%YoY to USD 7.15 billion as compared to USD 5.45 billion recorded during SPLY. Abnormal increase in workers' remittances can be attributed to constraints in informal channels owing to closure of international flights. Foreign Direct Investment (FDI) decreased by 23.99%YoY to USD 415 million from USD 546 million in SPLY. A positive external account helped the SBP in building country's foreign exchange reserves up by USD 499 million to USD 19.39 billion, taking the country's total imports cover to more than 5 months. Improvement in current account and forex reserves has helped the local currency to marginally appreciate by ~1.4% during 1QFY21. Moreover, current Real Effective Exchange Rate (REER) of "91.69" illustrates that on the basis of purchasing power of the local currency versus a basket of global currencies, local currency is undervalued by approximately 8%.

The Government's initiatives of attracting investments from Non-Resident Pakistanis (NRP) are also expected to bode well for the country. Reportedly, Roshan Digital Account has so far attracted more than 21,000 new bank accounts with a total deposit of approximately USD 24 million. Islamic Naya Pakistan Certificate is Shariah compliant investment option that is based on Mudarabah offered to NRP as well, suggesting the Govt is opening up Pakistan for business. Both resources provide innovative banking solution for Overseas Pakistanis to undertake, fund transfers, bill payments and investment activities in Pakistan. Lucrative returns bases on USD and PKR to Roshan Digital account and Islamic Naya Pakistan certificate may help Pakistan to further improve its reserves and investment activity.

According to press reports, the Federal Board of Revenue (FBR) has made net revenue collection of PKR 1,004 billion during 1QFY21, up by 4.11%YoY as compared to ~PKR 964 billion recorded during same period last year (SPLY). FBR has exceeded its given target of PKR 970 billion by a margin of PKR 34 billion owing to faster recovery in the economy where government managed to flatten the curve of COVID-19 in the country. During 1QFY21, FBR's gross revenue clocked in at PKR 1,052 billion, and made total refunds of ~PKR 48 billion as compared to ~PKR 26.5 billion recorded during SPLY. Major contribution to the increase in FBR collection was witnessed from Sales tax where collections increased by 5.70% YoY to ~PKR 426 million as compared to ~PKR 403 million recorded during SPLY. Income tax collection during 1QFY21 remained flat at ~PKR 358 billion as compared to ~PKR 355 billion recorded during SPLY. FBR has initiated its drive towards automation, e-audit and simplification of procedures, e-payment to increase Ease of Doing Business. Furthermore, Pakistan Custom has launched a country wide operation against transportation, storage and sale of smuggled goods in coordination with Law Enforcement Agencies (LEAs), resulting in historic seizures of smuggled goods. As economic activity has eventually picked up, FBR would manage to collect higher taxes and achieve its initial target of PKR 4,963 billion for FY21.

As per Pakistan Bureau of Statistics (PBS), the average National Consumer Price Index (NCPI) in 1QFY21 was recorded at 8.84%YoY as compared to 10.08%YoY, SPLY. Core Inflation, calculated by excluding food and energy, clocked in at 5.47%YoY and 7.73% YoY for Urban and Rural areas respectively, as compared to 8.37%YoY and 8.47%YoY, SPLY. The SBP expects NCPI to fall within the range of 7-9 percent during FY21. After monetary easing of 625 basis points to 7% in order to revive halted economic activities, the SBP kept the policy rate unchanged in its last meeting held in September 2020.

The Large Scale Manufacturing (LSM) sector, which constitutes 77.05% of the total manufacturing and 8.9% of overall GDP, witnessed an increase of 3.66% for July-August FY21. During the period, major contribution towards the growth came from Non Metallic Mineral products (Weight: 5.36%), Food and Beverages (Weight: 12.37 %) and Pharmaceuticals (Weight: 3.62%) which increased by 23.05%, 15.50%, and 10.03% respectively. However, there was a decline witnessed in some of the sectors like Automobile (Weight: 4.61%), Electronics (Weight: 1.963%) and Leather

Products (Weight: 0.859%) which decreased by 18.81%, 24.63% and 37.50% respectively during July-August FY21.

## **EQUITY MARKET REVIEW**

During 1QFY21, local bourse continued its positive trajectory where benchmark KSE-100 Index surged by 6,150pts, an increase of 17.87%QoQ. The Index closed at 40,571pts as compared to 34,422pts recorded by year end FY20. To recap, during 4QFY20, KSE-100 Index surged by 5,190pts after witnessing a decline of 11,503pts during 3QFY20. Local bourse witnessed healthy participation during the period under review as average daily traded turnover surged by 144.94%QoQ/403.04%YoY to 500.23 million shares as compared to 204.23/99.44 million shares during 4QFY20/1QFY20 respectively.

With significant reduction in interest rates, and the overall slowdown in the economy, Pakistan's equity market managed to attract liquidity where all the other asset classes were selectively unable to excite fresh liquidity during the current pandemic. Moreover, investor interest diverted to second tier and third tier stocks as depicted by a decrease in ratio of KSE-100 volumes over total turnover. During 1QFY21, the ratio clocked in at 59.83% as compared to 67.28% and 78.29% reported during 4QFY20 and 1QFY20 respectively.

Some of the positive triggers that kept the market sentiment bullish were 1) Asian Development Bank (ADB) approved USD 300m loan for strengthening capital markets, 2) PKR 651 billion payments deferred by banks for a year by IMF, 3) Current account surplus during 1QFY21, 4) Policy rate unchanged at 7%, 5) Pakistan winning a stay over USD 6 billion penalty in Reko Diq case, 6) Sale of Naya Pakistan Certificates beginning through agent banks, 7) Prime Minister unveiling Karachi 'transformation' plan, 8) K-Electric planning PKR 250 billion investment, 8) MoU signed with IPPs to cut energy cost and to resolve circular debt issue, and 9) FBR exceeded its 1QFY21 tax collection target by 34 billion. Moreover, investors' sentiments were depressed by various events including : 1) Government asking fertilizer industry to pay GIDC within 24 months, 2) Government allowing hiring of financial advisors for PPL's divestment, and 3) 1QFY21 NCPI up by 8.84%YoY.

Foreign Investors remained net sellers for the fourth consecutive quarter with net outflow of USD 94.72 million, taking the cumulative outflow to USD 402.93 million. Individuals and Mutual Funds were the major net buyers with net buying amounting to USD 108.30 million and USD 26.33 million respectively. Whereas, Banks/DFI and Broker were the net sellers with net selling of USD 53.46 million and USD 18.11 million respectively.

There was a major outperformance witnessed in different sectors during 1QFY21 which helped the KSE-100 Index maintain its momentum. The market capitalization of sectors like Commercial Banks, Cement, Chemical, Food & Personal Care Products and Automobile Assembler increased by 18.54%, 35.41%, 25.59%, 12.45%, and 25.34% respectively. In terms of valuation, KSE-100 Index closed at forward Price to Earnings Multiple of 6.90x, 48.37% discount as compared to MSCI Emerging Market P/E of 13.37x and offering a healthy dividend yield of 6.08%.

## **MONEY MARKET REVIEW**

During 1QFY21, six T-Bills auctions were conducted, where the State Bank of Pakistan managed to raise PKR 1.93 trillion cumulatively. Weighted average yield of the 3 months, 6 months, and 12 months T-Bills were 6.91%, 6.95%, and 7.05% respectively, as compared to 13.55%, 13.69%, and 13.90% for same period last year. It is pertinent to note that the yield curve has been on an increasing trend since touching its low of 6.43%, 6.47% and 6.55% for 3 months, 6 months and 12 months T-Bills respectively in July 2020 auction, depicting an upward slope in the yield curve within short tenure paper as well. Additionally, upward sloping yield curve for recent T-bills auctions further suggests future increase in the interest rates.

To further address demand for liquidity, the SBP conducted three auctions of fixed rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 249.17 billion cumulatively during 1QFY21. The weighted average yield of 3 years, 5 years, and 10 years fixed rate PIBs were

7.81%, 8.35%, and 8.91% respectively, as compared to 13.82%, 13.50%, and 13.24%, during same period last year. In addition, government also accepted bids for 20 years and 15 years fixed rate PIBs during the period with the weighted average yield of 10.44% and 9.84% respectively. The Monetary Policy Committee (MPC) announced one (1) Monetary Policy Statement in 1QFY21, where the committee maintained the policy rate at 7% amid the Covid-19 pandemic with an aim to cushion the slowdown in growth rate while maintaining its inflation outlook and financial stability. The SBP conducted 22 Open Market Operations (OMO) in 1QFY21 of different maturities, in which it injected an average amount of PKR 726.49 billion per OMO at an average cut-off yield of 7.03%, and mopped up an average amount of PKR 45.17 billion per OMO at an average cut-off yield of 6.91%.

As per the auction target calendar for October - December 2020, the SBP targets to raise PKR 2.75 trillion by issuing 3 months, 6 months, and 12 months T-Bills against maturity amount of PKR 3.49 trillion. Moreover, SBP targets to raise PKR 390 billion by issuing 3 - 20 years fixed rate PIBs and PKR 830 billion by issuing 3 - 10 years floating rate PIBs.

## **FUTURE OUTLOOK**

Going forward, we remain optimistic about the economic outlook for FY21, where the State Bank of Pakistan expects real GDP growth to reach 2.0% as compared to -0.38% reported during FY20. As per the SBP, NCPI is expected to range between 7 to 9 percent during FY21 where the government is confident about controlling the recent hike in inflation caused by supply disruptions. As depicted by REER of "91.69", local currency is currently undervalued as compared to the basket of international currencies where PKR has strengthened by 2.68% during FYTD21. Surplus on External Account has decreased pressure on foreign exchange reserves. However, a potential increase in international oil price may deteriorate the surplus, but it is unlikely due to a decrease in the global demand. However, any further delay in the disbursement of tranche from the International Monetary Fund may put some pressure on Foreign Exchange Reserves. FBR exceeding its collection target during 1QFY21 may further limit the fiscal deficit target of 7.1% during FY21. Moreover, current negative Real Interest Rate may put some pressure on local currency due to flight of capital.

On the Fixed Income front, current Negative Real Interest Rates remains a contentious considering the country is under an International Monetary Fund Program. We expect the SBP to opt for contractionary monetary policy during 2HFY21.

As far as equity valuations are concerned, future expected growth in corporate earnings is yet to be witnessed due to the recently announced packages, and this coupled with low interest rates will justify upward a re-rating of Price to Earnings multiple of KSE-100 index which is currently trading at a forward Price to Earnings Multiple of 7.18x (October 27, 2020).

For and on behalf of the board

**Imran Motiwala**  
Chief Executive Officer

**Abdul Karim**  
Chairman

Karachi: October 29, 2020

# FUND MANAGER'S REPORT

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

Open - End Money Market Scheme.

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

The investment objective of the Fund is to provide optimum return consistent with minimal risk from a portfolio constituted of high quality short term securities / instruments, which will provide liquidity to investors. The fund exclusively invests in highly secure ('AA' and above) debt instruments such that the weighted average maturity of its assets stays below 90 days.

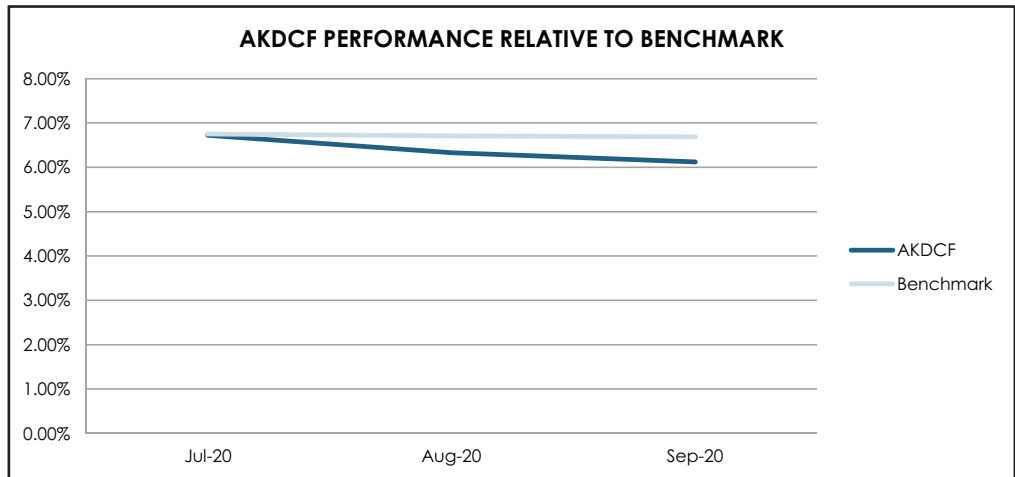
**iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:**

For the 1QFY21, the annualized return of AKD Cash Fund stood at 6.43% compared to benchmark return of 6.72%.

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

70% three (3) months PKRV rate + 30% three (3) months average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP.

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



Monthly yield (annualized)	Jul-20	Aug-20	Sep-20
<b>AKDCF</b>	6.72%	6.33%	6.12%
<b>Benchmark</b>	6.75%	6.71%	6.69%

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

AKD Cash Fund is an Open - End Money Market Scheme. The returns of the fund are generated primarily through investment in high quality short term government securities.

vii) **Disclosure of Collective Investment Scheme's asset allocation as the date of report and particulars of significant changes in asset allocation:**

Asset Allocation (% of Total Assets)	30-Sep-20	30-Jun-20
Cash and Cash Equivalents	96.51%	88.30%
Commercial Papers	-	10.97%
Other Assets including Receivables	3.49%	0.73%

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

1QFY21 Return (annualized)	6.43%
Benchmark Return (annualized)	6.72%

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

Net Assets Value		NAV Per Unit		
30-Sep-20	30-Jun-20	Change in Net Assets	30-Sep-20	30-Jun-20
(Rupees In "000")		(Rupees In "000")		
401,029	533,221	-24.79%	51.40	50.58

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

**MACRO PERSPECTIVE**

After witnessing negative GDP growth of 0.38% during FY20, owing to halted economic activities due to COVID-19 outbreak, Pakistan witnessed a revival during 1QFY21 as business activities resumed after the country successfully flattened the curve of COVID-19. According to the State Bank of Pakistan (SBP), Pakistan's GDP has increased by 3.24% to USD 68.21 billion during 1QFY21 as compared to USD 66.07 billion reported during same period last year (SPLY). After witnessing Current Account Deficit (CAD) since 4QFY15, the external account turned into surplus during 1QFY21, resulting in strengthening of local currency against US dollar. Tax collection also exceeded its target by ~PKR 34 billion following recovery in Large Scale Manufacturing (LSMI) sectors.

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## **MONEY MARKET REVIEW**

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managed to raise PKR 1.93 trillion cumulatively. Weighted average yield of the 3 months, 6 months, and 12 months T-Bills were 6.91%, 6.95%, and 7.05% respectively, as compared to 13.55%, 13.69%, and 13.90% for same period last year. It is pertinent to note that the yield curve has been on an increasing trend since touching its low of 6.43%, 6.47% and 6.55% for 3 months, 6 months and 12 months T-Bills respectively in July 2020 auction, depicting an upward slope in the yield curve within short tenure paper as well. Additionally, upward sloping yield curve for recent T-bills auctions further suggests future increase in the interest rates.

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## **FUTURE OUTLOOK**

Going forward, we remain optimistic about the economic outlook for FY21, where the State Bank of Pakistan expects real GDP growth to reach 2.0% as compared to -0.38% reported during FY20. As per the SBP, NCPI is expected to range between 7 to 9 percent during FY21 where the government is confident about controlling the recent hike in inflation caused by supply disruptions. As depicted by REER of "91.69", local currency is currently undervalued as compared to the basket of international currencies where PKR has strengthened by 2.68% during FYTD21. Surplus on External Account has decreased pressure on foreign exchange reserves. However, a potential increase in international oil price may deteriorate the surplus, but it is unlikely due to a decrease in the global demand. However, any further delay in the disbursement of tranche from the International Monetary Fund may put some pressure on Foreign Exchange Reserves. FBR exceeding its collection target during 1QFY21 may further limit the fiscal deficit target of 7.1% during FY21. Moreover, current negative Real Interest Rate may put some pressure on local currency due to flight of capital.

On the Fixed Income front, current Negative Real Interest Rates remains a contentious considering the country is under an International Monetary Fund Program. We expect the SBP to opt for contractionary monetary policy during 2HFY21.

As far as equity valuations are concerned, future expected growth in corporate earnings is yet to be witnessed due to the recently announced packages, and this coupled with low interest rates will justify upward a re-rating of Price to Earnings multiple of KSE-100

index which is currently trading at a forward Price to Earnings Multiple of 7.18x (October 27, 2020).

**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 was no significant change in the state of affairs during the period under review.

**xii) Break down of unit holding by size:**

<b>Range (Units)</b>	<b>No. of Investors</b>
0.1 - 9,999	252
10,000 - 49,999	23
50,000 - 99,999	3
100,000 - 499,999	7
500,000 and above	4
	<b>289</b>

**xiii) Disclosure on unit split (if any), comprising:**

There were no unit splits during the period.

**xiv) Disclosure of circumstances that materially affect any interest 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 SEPTEMBER 30, 2020

	(Unaudited) September 30	(Audited) June 30
Note	2020	2020
	---- (Rupees in '000) ----	
<b>ASSETS</b>		
Bank balances	5      2,110	4,759
Investments	6      401,942	535,170
Profit receivable on bank deposits and commercial papers	7      42	3,334
Deposits and other receivables	<u>14,562</u>	<u>635</u>
<b>Total assets</b>	<b>418,656</b>	<b>543,898</b>
<b>LIABILITIES</b>		
Payable to AKD Investment Management Limited - Management Company	8      963	931
Payable to Central Depository Company of Pakistan Limited - Trustee	9      26	34
Payable to Securities and Exchange Commission of Pakistan	10      22	155
Accrued expenses and other liabilities	11      16,616	9,558
<b>Total liabilities</b>	<u>17,627</u>	<u>10,678</u>
<b>NET ASSETS</b>	<u>401,029</u>	<u>533,220</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<u>401,029</u>	<u>533,220</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	
	---- (Number of units) ----	
<b>NUMBER OF UNITS IN ISSUE</b>	<u>7,801,774</u>	<u>10,541,472</u>
	(Rupees)	
<b>NET ASSET VALUE PER UNIT</b>	<u>51.4023</u>	<u>50.5830</u>

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

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

\_\_\_\_\_  
**Abdul Karim**  
Chairman

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

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

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

### FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Quarter ended September 30 2020	Quarter ended September 30 2019
Note	(Rupees in '000)	
<b>INCOME</b>		
Capital gain / (loss) on sale of investments	(345)	29
Unrealised diminution on re-measurement of investments at fair value through profit or loss - net	(55)	(31)
Income / profit on:		
- government securities	7,390	18,412
- Commercial papers	1,053	-
- bank deposits	176	625
<b>Total income</b>	<b>8,219</b>	<b>19,035</b>
<b>EXPENSES</b>		
Remuneration of the Management Company	444	591
Sindh sales tax on remuneration of the Management Company	58	77
Remuneration of the Trustee	72	96
Sindh sales tax on remuneration of the Trustee	9	12
Annual fee to the Securities and Exchange Commission of Pakistan	22	30
Allocated expenses to the management company	166	148
Brokerage and settlement charges (Securitized & transaction cost)	2	25
Legal and professional charges	75	86
Bank charges	16	24
Fees and subscriptions	7	17
Auditors' remuneration	77	89
Provision against Sindh Workers' Welfare Fund	145	356
Printing and related costs	38	38
<b>Total expenses</b>	<b>1,131</b>	<b>1,589</b>
<b>Net income from operating activities</b>	<b>7,088</b>	<b>17,446</b>
<b>Net income for the period before taxation</b>	<b>7,088</b>	<b>17,446</b>
Taxation	13 -	-
<b>Net income for the period after taxation</b>	<b>7,088</b>	<b>17,446</b>
<b>Allocation of net income for the period</b>		
Net income for the period after taxation	7,088	17,446
Income already paid on units redeemed	(1,446)	(4,191)
	<b>5,642</b>	<b>13,255</b>
<b>Accounting income available for distribution</b>		
- Relating to capital gains	-	-
- Excluding capital gains	5,642	13,255
	<b>5,642</b>	<b>13,255</b>

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

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

**Abdul Karim**  
Chairman

**Imran Motiwala**  
Chief Executive Officer

**Muhammad Munir Abdullah**  
Chief Financial Officer

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Quarter ended September 30 2020	Quarter ended September 30 2019
	(Rupees in '000)	
<b>Net income for the period after taxation</b>	7,088	17,446
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>7,088</b>	<b>17,446</b>

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

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

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**Abdul Karim**  
Chairman

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**Imran Motiwala**  
Chief Executive Officer

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**Muhammad Munir Abdullah**  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	2020			2019		
	(Rupees in '000)					
	Capital Value	Undistrib- uted income / (loss)	Total	Capital Value	Undistrib- uted income / (loss)	Total
Net assets at beginning of the period	531,170	2,050	533,220	100,790	1,611	102,401
Issue of units 2,298,002 (2019: 13,122,039 units)						
- Capital value (at Ex NAV per unit at the beginning of the period)	116,240	-	116,240	662,503	-	662,503
- Element of income	1,203	-	1,203	1,440	-	1,440
Total proceeds on issuance of units	117,443	-	117,443	663,943	-	663,943
Redemption of 5,037,700 units (2019: 5,660,285 units)						
- Capital value (at Ex NAV per unit at the beginning of the period)	254,823	-	254,823	285,775	-	285,775
- Element of income	453	1,446	1,899	434	4,191	4,625
Total payments on redemption of units	255,276	1,446	256,722	286,209	4,191	290,400
Total comprehensive income for the period	-	7,088	7,088	-	17,446	17,446
Refund of Capital	-	-	-	-	-	-
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	7,088	7,088	-	17,446	17,446
<b>Net assets at end of the period</b>	<b>393,337</b>	<b>7,692</b>	<b>401,029</b>	<b>478,524</b>	<b>14,866</b>	<b>493,390</b>
Undistributed income brought forward						
- Realised		1,602			1,685	
- Unrealised		448			(74)	
		<u>2,050</u>			<u>1,611</u>	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	5,642			13,255		
	<u>5,642</u>			<u>13,255</u>		
Distribution for the period	-			-		
Undistributed income carried forward		<u>7,692</u>			<u>14,866</u>	
Undistributed income carried forward						
- Realised income		7,747			14,897	
- Unrealised (loss) / income		(55)			(31)	
		<u>7,692</u>			<u>14,866</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period		<u>50.5830</u>				<u>50.4876</u>
Net assets value per unit at end of the period		<u>51.4023</u>				<u>51.9206</u>

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

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

Abdul Karim  
Chairman

Imran Motiwala  
Chief Executive Officer

Muhammad Munir Abdullah  
Chief Financial Officer

## CONDENSED INTERIM CASH FLOWS STATEMENT (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Quarter ended September 30 2020	Quarter ended September 30 2019
Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	7,088	17,446
<b>Adjustments for non-cash and other items</b>		
Unrealised diminution on re-measurement of investments at fair value through profit or loss - net	55	31
Capital (gain) / loss on sale of investments - net	345	(29)
Provision against Sindh Workers' Welfare Fund	145	356
	7,633	17,804
<b>(Increase) / decrease in assets</b>		
Investments	185,744	(2)
Profit receivable on bank deposits and commercial papers	3,292	(9)
Deposits and other receivables	(13,927)	(361)
	175,109	(372)
<b>(Decrease) / increase in liabilities</b>		
Payable to AKD Investment Management Limited - Management Company	32	288
Payable to Central Depository Company of Pakistan Limited - Trustee	(8)	14
Payable to the Securities and Exchange Commission of Pakistan	(133)	(97)
Accrued expenses and other liabilities	6,913	8,204
	6,804	8,409
<b>Net cash flows from operating activities</b>	189,546	25,841
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	117,443	663,943
Amount paid against redemption of units	(256,722)	(290,400)
<b>Net cash used in / generated from financing activities</b>	(139,279)	373,543
<b>Net Increase / (decrease) in cash and cash equivalents during the period</b>	50,267	399,384
Cash and cash equivalents at beginning of the period	184,186	104,946
<b>Cash and cash equivalents at end of the period</b>	14 <u>234,453</u>	<u>504,330</u>

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

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

\_\_\_\_\_  
**Abdul Karim**  
Chairman

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 "AKD Cash Fund (the Fund) was established under a Trust Deed executed between AKD Investment Management Limited (AKDIML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorized constitution of the Trust Deed on August 15, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012. The Fund commenced operations from January 21, 2012. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e. January 19, 2012."
- 1.2 "The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block 8, Clifton, Karachi in the province of Sindh."
- 1.3 The Fund is an open ended mutual fund and is listed on the 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 to the Fund.
- 1.4 "The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, bank deposits, certificate of deposits, certificate of musharakas, commercial papers, reverse repos. Title of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund. The Fund is classified as a "Money Market Fund"."
- 1.5 "The Management Company has been assigned a quality rating of "AM3++" by Pakistan Credit Rating Agency Limited (PACRA) on February 8, 2020. The Fund has been given stability rating of 'AA+(f)' by PACRA on April 24, 2020."
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

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

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

issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulation and requirements of the Trust Deed have been followed.

- 2.2** This condensed interim financial information does not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2020.
- 2.3** This condensed interim financial information is being submitted to the unitholders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

### 3 SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2020.

In preparing this condensed interim financial information, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2020.

### 4 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2020.

		(Un-audited) September 30	(Audited) June 30
	Note	2020	2020
---- (Rupees in '000) ----			
<b>5 BANK BALANCES</b>			
- In saving accounts	5.1	2,100	4,749
- In current accounts		10	10
		2,110	4,759

- 5.1** The rate of return on these accounts ranges from 5% to 5.50% per annum (June 30, 2020 : 5% to 6.50%).

### 6 INVESTMENTS

#### Financial assets at fair value through profit or loss

- |   |     |         |         |
|---|-----|---------|---------|
| - Government securities - Market Treasury Bills | 6.1 | 401,942 | 475,524 |
|---|-----|---------|---------|

#### At amortised cost

- |                    |  |         |         |
|--------------------|--|---------|---------|
| - Commercial paper |  | -       | 59,646  |
|                    |  | 401,942 | 535,170 |

## 6.1.1 Government securities - Market Treasury Bills

Tenor	Face Value				Balance as at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of investments
	At July 1, 2020	Purchased during the period	Sold / matured during the period	As at September 30, 2020	Carrying Value	Market value	Unrealised (diminution) / appreciation as at September 30, 2020		
	Rupees in '000							----- % -----	
12 months	35,000	26,000	35,000	26,000	25,617	25,616	(1)	6.39	6.37
6 months	265,000	165,000	285,000	145,000	144,030	143,983	(47)	35.90	35.82
3 months	180,000	295,000	240,000	235,000	232,350	232,343	(7)	57.94	57.81
	480,000	486,000	560,000	406,000	401,997	401,942	(55)		
<b>Total - September 30, 2020</b>					<b>401,997</b>	<b>401,942</b>	<b>(55)</b>		
<b>Total - June 30, 2020</b>					<b>475,076</b>	<b>475,524</b>	<b>448</b>		

	(Un-audited) September 30 2020	(Audited) June 30 2020
<b>7 PROFIT RECEIVABLE ON BANK DEPOSITS AND COMMERCIAL PAPERS</b>	<b>Note</b>	<b>----</b> (Rupees in '000) <b>----</b>
Profit receivable		
- on bank balances	42	33
- on Commercial Paper	-	3,301
	<b>42</b>	<b>3,334</b>
<b>8 PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
Management fee	8.1	146
Sindh Sales Tax on Management fee	8.2	18
Expenses allocated by the Management Company	8.3	130
Federal exercise duty on Management fee	8.4	669
		<b>963</b>
		<b>931</b>

**8.1** The Management Company has charged remuneration at the following rates per annum of the average net assets of the Fund. The remuneration is paid to the management on a monthly basis in arrears.

Net Asset of the Fund Rs.	Remuneration Rate (Per annum)
Up to 1 Billion	0.40%
1 Billion - 1.5 Billion	0.50%

**8.2** Sindh sales tax at the rate of 13% on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

**8.3** SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1% (as per Regulation 60 of the NBFC Regulations expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS)). Accordingly, the Management Company has charged expenses at the rate of 0.15% per

annum of the average annual net assets of the Fund being lower than actual expenses chargeable to Fund, from July 01, 2020 to September 30, 2020.

- 8.4** As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company was applied with effect from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED since June 13, 2013.

On June 30, 2016, the Honorable Sindh High Court of Pakistan had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 0.669 million (June 30, 2020: Rs. 0.669 million) until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at September 30, 2020 would have been higher by Rs. 0.086 per unit (June 30, 2020: Rs. 0.063 per unit).

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn.

Therefore, provision for FED has not been recorded in these financial statements from July 01, 2016 onwards.

			(Un-audited) September 30 2020	(Audited) June 30 2020
		Note	---- (Rupees in '000) ----	
<b>9</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
	Trustee remuneration payable	<b>9.1</b>	<b>23</b>	30
	Sindh Sales Tax payable on trustee remuneration	<b>9.2</b>	<b>3</b>	4
			<b>26</b>	<b>34</b>

- 9.1** The Trustee is entitled to a monthly remuneration to be paid monthly in arrears for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. However, tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.065% (2020: 0.065%) of net assets. The remuneration is paid to the Trustee on monthly basis in arrears.

- 9.2** Sindh sales tax at the rate of 13% (2020: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

## AKD Cash Fund - Quarterly Report September 2020

		(Un-audited) September 30 2020	(Audited) June 30 2020
<b>10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>	<b>Note</b>	---- (Rupees in '000) ----	
Annual fee payable to the SECP	10.1	<u>22</u>	<u>155</u>

- 10.1** Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 all Collective Investment Schemes are required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the scheme.

		(Un-audited) September 30 2020	(Audited) June 30 2020
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	---- (Rupees in '000) ----	
Auditors remuneration		305	229
Printing charges payable		154	150
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	2,627	2,482
Withholding tax payable		89	5,454
Brokerage payable		15	12
Credit rating fee payable		238	190
Payable on redemption of Units		1,192	-
Payable against conversion of units		11,994	1,039
Others		<u>2</u>	<u>2</u>
		<u><b>16,616</b></u>	<u><b>9,558</b></u>

- 11.1** The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / Mutual Funds (CISs) whose income exceeded Rs. 500,000 in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher.

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honorable Lahore High Court (LHC) and the Honorable High Court of Sindh (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honorable Supreme Court of Pakistan (SCP). On November 10, 2016 the SCP passed a judgment declaring the insertion of amendments introduced through Finance Act, 2008 pertaining to WWF as unlawful for the reason that the WWF is not in the nature of tax and therefore, could not be introduced through money bill under the Constitution. Subsequently, the Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgment, which is pending adjudication.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on May 21, 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs.500,000 or

more in any year of account commencing on or after the date of closing of account on or after December 31, 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on an opinion obtained by the Mutual Funds Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay Sindh WWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

"In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters during financial year ended June 30, 2017. Based on such legal advice (which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited), MUFAP had recommended to all its members to reverse the Federal WWF and start recording of Sindh WWF. Consequently, the Fund has recorded provision of Rs. 0.145 million (2019: 0.356 million) for the period and Rs. 2.627 million (June 30, 2020: Rs. 2.482 million) in aggregate in respect of SWWF."

Had the provision against SWWF not been made, the net assets value per unit would have been higher by Re. 0.337 per unit (June 30, 2020: Re. 0.235 per unit).

### 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2020 and June 30, 2020.

### 13 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 realised or unrealised is distributed to the unit holders in cash. 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. The Management Company has intends to distribute cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

		<b>(Un-audited)</b> <b>September 30</b>	<b>(Audited)</b> <b>June 30</b>
		<b>2020</b>	<b>2020</b>
<b>14 CASH AND CASH EQUIVALENTS</b>	<b>Note</b>	<b>---- (Rupees in '000) ----</b>	<b>----</b>
Bank balances	5	2,110	4,759
Market Treasury Bills (with original maturity of three months or less)	6.1.1	232,343	179,427
		234,453	184,186

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 1.02 % (Sep 30, 2019 1.08%) (annualised) which includes 0.21 % (Sep 30, 2019 0.32%) (annualised) representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations.

## 16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include AKD Investment Management Limited (being the Management Company) and its related entities, Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and key management personnel of the Management Company.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

The details of transactions carried out by the Fund with related parties / connected persons and balances with them are as follows:

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

	(Un-audited) Quarter ended September 30, 2020	(Un-audited) Quarter ended September 30, 2019
	----- (Rupees in '000) -----	
<b>AKD Investment Management Limited - Management Company</b>		
Issue of units Nil 21,879 (2019 : Nil Units)	1,120	-
Management remuneration	444	591
Sindh sales tax on management remuneration	58	77
Allocated expenses	166	148
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	72	96
Sindh sales tax on trustee remuneration	9	12

## AKD Cash Fund - Quarterly Report September 2020

	(Un-audited) Quarter ended September 30, 2020	(Un-audited) Quarter ended September 30, 2019
----- (Rupees in '000) -----		
<b>Unit holders holding 10% or more of the units in issue</b>		
<b>Dinaz Cassim</b>		
Issue of units Nil (2019 : 2,669,746 Units)	-	135,000
Redemption of 681,137 units (2019 : 486,952 Units)	<b>35,000</b>	25,000
<b>Durrain Cassim</b>		
Issue of units Nil (2019 : 2,373,108 Units)	-	120,000
Redemption of 883,096 units (2019 : 390,584 Units)	<b>45,000</b>	20,000
<b>Nihal Cassim*</b>		
Issue of units (2019 : 5,932,770 Units)	-	300,000
Redemption of units (2019 : 3,113,372 Units)	-	160,000
* Prior period connected party, current figures not shown		

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

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
(Rupees in '000)		
<b>AKD Investment Management Limited - Management Company</b>		
Management remuneration payable	<b>146</b>	189
Federal excise duty payable on management remuneration	<b>669</b>	669
Sindh Sales tax payable on management remuneration	<b>18</b>	25
Payable against allocated expenses	<b>130</b>	48
Units held 21,879 (June 30, 2020: Nil)	<b>1,125</b>	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	<b>23</b>	30
CDS charges payable	-	1
Sindh Sales Tax payable on trustee remuneration	<b>3</b>	4
Deposit with CDC	<b>100</b>	100
<b>Hasan Ahmed - Director of the Management Company**</b>		
Units held 139 (June 30, 2020: 139)	<b>7</b>	7
<b>Receivable / Payable against conversion of units - AKD Funds</b>		
Payable against conversion of units - AKD Opportunity Fund	<b>11,644</b>	1,039
Payable against conversion of units - AKD Islamic Stock Fund	<b>150</b>	-
Payable against conversion of units - Golden Arrow Stock Fund	<b>200</b>	-
Receivable against conversion of units - AKD Opportunity Fund	<b>13,364</b>	-
Receivable against conversion of units - AKD Islamic Stock Fund	<b>542</b>	-

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	(Rupees in '000)	
<b>Unit holders holding 10% or more of the units in issue</b>		
<b>Dinaz Cassim</b>		
Units held 955,252 (June 30, 2020 : 1,636,389 Units)	<b>49,102</b>	82,774
<b>Durrain Cassim</b>		
Units held 2,950,543 (June 30, 2020 : 3,833,639 Units)	<b>151,665</b>	193,918

## 17 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. 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).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognized at fair value, based on:

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

The following table show the carrying amount and fair values of financial assets including the levels in the fair value hierarchy.

As at September 30, 2019 and June 30, 2019, the Fund held the following assets measured at fair values:

	September 30, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>ASSETS</b>				
At fair value through profit and loss'				
Government securities - Market Treasury Bills	-	<b>401,942</b>	-	<b>401,942</b>

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>ASSETS</b>				
At fair value through profit and loss'				
Government securities - Market Treasury Bills	-	535,170	-	535,170

During the period ended September 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

## 18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 29, 2020 by the Board of Directors of the Management Company.

## 19 GENERAL

**19.1** Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

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

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

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**Abdul Karim**  
Chairman

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**Imran Motiwala**  
Chief Executive Officer

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**Muhammad Munir Abdullah**  
Chief Financial Officer



**AKD Investment  
Management Ltd.**

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