

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 Opportunity Fund



## MANAGEMENT COMPANY

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

## TRUSTEE

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

## BANKERS

Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
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 Shakra-e-Faisal,  
Karachi-75350

## LEGAL ADVISER

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

## REGISTRAR

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

## DISTRIBUTORS

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

## RATING - AKDOF

BY PACRA  
Performance Ranking

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

# 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 Equity Scheme

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

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

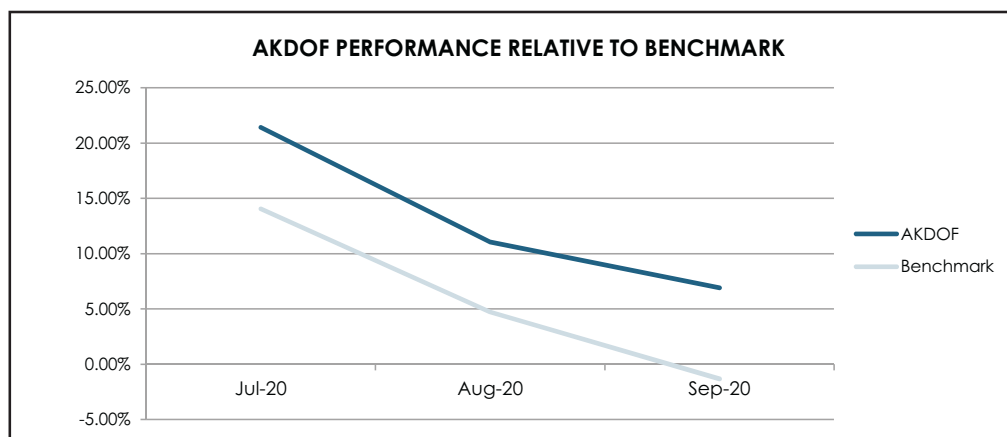
**iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:**

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

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

KSE-100 Index

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



Monthly return	Jul-20	Aug-20	Sep-20
<b>AKDOF</b>	21.43%	11.07%	6.91%
<b>Benchmark</b>	14.05%	4.72%	-1.31%

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

AKD Opportunity Fund is an Open - End Equity Scheme; the return of the Fund is generated through investment in value stocks which have strong growth potential.

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
Equities	96.31%	99.28%
Cash	0.96%	0.49%
Other Assets including Receivables	2.73%	0.23%

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 Pakistan Limited	Equity	332,481	Nil	332,481	14.28%	13.49%
Pakistan Stock Exchange Limited	Equity	252,708	Nil	252,708	10.86%	10.26%

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

1QFY21 Return	44.19%
Benchmark Return	17.87%

x) **Changes in the total 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")			Rs.	Rs.
2,327,990	1,625,629	43.21%	96.75	67.10

(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**

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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%.

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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).

**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:**

Range (Units)	No. of Investors
0.1 - 9,999	1257
10,000 - 49,999	156
50,000 - 99,999	37
100,000 - 499,999	29
500,000 and above	7
	<b>1486</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.

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

		(Un-Audited) 30 September 2020	(Audited) 30 June 2020
	Note	(Rupees in '000)	
<b>Assets</b>			
Bank balances	5	23,641	8,150
Investments	6	2,372,893	1,658,856
Deposits and Prepayments and other receivables	7	66,660	3,813
Dividend and profit receivable on bank deposits		678	64
<b>Total Assets</b>		<b>2,463,872</b>	<b>1,670,883</b>
<b>Liabilities</b>			
Payable to AKD Investment Management Limited - Management Company	8	16,784	13,378
Payable to Central Depository Company of Pakistan Limited - Trustee	9	310	240
Payable to Securities and Exchange Commission of Pakistan	10	106	314
Payable against purchase of securities		2,710	1,232
Amount payable on redemption of units		68,464	-
Accrued expenses and other liabilities	11	47,253	29,835
Unclaimed dividend		255	255
<b>Total Liabilities</b>		<b>135,882</b>	<b>45,254</b>
<b>Contingencies and Commitments</b>	13		
<b>Net Assets</b>		<b>2,327,990</b>	<b>1,625,629</b>
<b>Unit holders' fund</b> (as per statement attached)		<b>2,327,990</b>	<b>1,625,629</b>
		(Number of Units)	
<b>Number of units in issue</b>		<b>24,062,673</b>	<b>24,227,880</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>96.75</b>	<b>67.10</b>

The annexed notes from 1 to 18 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 QUARTER ENDED SEPTEMBER 30, 2020

	Note	2020 (Rupees in '000)	2019
<b>Income</b>			
Gain / (loss) on sale of investments - net		175,771	(18,747)
Dividend income		579	1,491
Profit/markup on:			
- bank balances		640	230
		<b>176,990</b>	<b>(17,026)</b>
Unrealized (appreciation) / diminution in the fair value of investments 'at fair value through profit or loss - net		<b>565,409</b>	<b>(206,521)</b>
		<b>742,399</b>	<b>(223,547)</b>
<b>Expenses</b>			
Remuneration of AKD Investment Management Limited - Management Company		10,560	7,238
Sindh Sales tax on remuneration of Management Company		1,373	941
Remuneration of Central Depository Company of Pakistan Limited - Trustee		780	613
Sindh Sales tax on remuneration of Trustee		101	80
Annual fee to the Securities and Exchange Commission of Pakistan		106	76
Expenses allocated by Management Company		1,848	362
Securities transaction cost		2,689	762
Auditors' remuneration		73	67
Settlement and bank charges		69	19
Fee and subscription		183	164
Printing and stationary		38	38
Legal and professional charges		108	108
Provision against Sindh Workers' Welfare Fund		14,489	-
		<b>32,417</b>	<b>10,468</b>
<b>Net Gain / (loss) from operating activities</b>		<b>709,982</b>	<b>(234,015)</b>
<b>Taxation</b>	14	-	-
<b>Net Gain / (loss) for the period after taxation</b>		<b>709,982</b>	<b>(234,015)</b>
<b>Allocation of net income for the period:</b>			
Net income for the period after taxation		709,982	-
Income already paid on units redeemed		(59,101)	-
		<b>650,881</b>	<b>-</b>
<b>Accounting income available for distribution</b>			
-Relating to Capital gains		741,180	-
-Excluding Capital gains		(90,299)	-
		<b>650,881</b>	<b>-</b>

The annexed notes from 1 to 18 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 QUARTER ENDED SEPTEMBER 30, 2020**

	<b>2020</b>	2019
	<b>(Rupees in '000)</b>	
Net Gain / (loss) for the period after taxation	<b>709,982</b>	(234,015)
Other comprehensive income for the period	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b><u>709,982</u></b>	<b><u>(234,015)</u></b>

The annexed notes from 1 to 18 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 QUARTER ENDED SEPTEMBER 30, 2020

	2020			2019		
	Capital value	Undistributed income	Net assets	Capital value	Undistributed income	Net assets
	------(Rupees in '000)-----					
<b>Net assets at beginning of the period</b>	<b>1,531,615</b>	<b>94,014</b>	<b>1,625,629</b>	1,662,136	66,199	1,728,335
Issue of 4,111,349 units (2019: 1,261,757 units)						
- Capital value (at net asset value per unit at the beginning of the year)	<b>275,861</b>	-	<b>275,861</b>	83,289	-	83,289
- Element of income	<b>93,888</b>	-	<b>93,888</b>	(9,175)	-	(9,175)
Total proceeds on issuance of units	<b>369,749</b>	-	<b>369,749</b>	74,114	-	74,114
Redemption of 4,276,556 units (2019: 3,366,825 units)						
- Capital value (at net asset value per unit at the beginning of the year)	<b>286,946</b>	-	<b>286,946</b>	222,244	-	222,244
- Element of income	<b>31,323</b>	<b>59,101</b>	<b>90,424</b>	(26,130)	-	(26,130)
Total payments on redemption of units	<b>318,269</b>	<b>59,101</b>	<b>377,370</b>	196,114	-	196,114
Total comprehensive income / (loss) for the period	-	<b>709,982</b>	<b>709,982</b>	-	(234,015)	(234,015)
Distribution during the period	-	-	-	-	-	-
Refund of Capital	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	<b>709,982</b>	<b>709,982</b>	-	(234,015)	(234,015)
<b>Net assets at end of the period</b>	<b>1,583,095</b>	<b>744,895</b>	<b>2,327,990</b>	1,540,136	(167,816)	1,372,320
Undistributed income brought forward						
- Realised income		<b>223,541</b>			562,888	
- Unrealised income		<b>(129,527)</b>			(496,689)	
		<b>94,014</b>			66,199	
Accounting income available for distribution						
- Relating to capital gains	<b>741,180</b>			-		
- Excluding capital gains	<b>(90,299)</b>			-		
	<b>650,881</b>			-		
Net loss income for the period after taxation		-			(234,015)	
Distribution during the period		-			-	
Undistributed gain carried forward		<b>744,895</b>			(167,816)	
Undistributed gain carried forward						
- Realised income		<b>179,486</b>			38,705	
- Unrealised income / (loss)		<b>565,409</b>			(206,521)	
		<b>744,895</b>			(167,816)	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<b>67.10</b>			66.01
Net assets value per unit at end of the period			<b>96.75</b>			57.00

The annexed notes from 1 to 18 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 QUARTER ENDED SEPTEMBER 30, 2020

	2020	2019
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net gain / (loss) for the period after taxation	709,982	(234,015)
<b>Adjustments for non cash items:</b>		
Unrealized (appreciation) / diminution in the fair value of investments 'at fair value through profit or loss - net	(565,409)	206,521
	144,573	(27,494)
<b>Decrease / (increase) in assets</b>		
Investments	(148,628)	151,140
Receivable against sale of securities	-	(1,512)
Deposits and Prepayments other receivables	(62,847)	(21)
Dividend and profit receivable on bank deposits	(614)	2,346
	(212,089)	151,953
<b>(Decrease) / increase in liabilities</b>		
Payable to AKD Investment Management Limited - Management Company	3,406	(426)
Payable to Central Depository Company of Pakistan Limited - Trustee	70	(34)
Payable to Securities and Exchange Commission of Pakistan	(208)	(2,032)
Payable against purchase of securities	1,478	(2,481)
Amount payable on redemption of units	68,464	525
Accrued expenses and other liabilities	17,418	127
	90,628	(4,321)
<b>Net cash flow generated from operating activities</b>	23,112	120,138
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received on issue of units	369,749	74,114
Cash paid on redemption of units	(377,370)	(196,114)
<b>Net cash flow used in financing activities</b>	(7,621)	(122,000)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	15,491	(1,862)
Cash and cash equivalents at beginning of the period	8,150	7,676
<b>Cash and cash equivalents at end of the period</b>	23,641	5,814

The annexed notes from 1 to 18 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 QUARTER ENDED SEPTEMBER 30, 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

AKD Opportunity Fund (the Fund) was established under Trust deed, dated December 19, 2005 executed between AKD Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 7, 2005 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. The Fund commenced its operations from April 01, 2006.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules and has obtained a requisite license from SECP to undertake Asset Management services. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

The Fund is an open ended Collective Investment Scheme and offers units for public subscription on a continuous basis. The units are transferrable and can also be redeemed by surrendering to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.

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 and cash in bank account.

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.

The Management Company has been assigned a quality rating of "AM3++" by Pakistan Credit Rating Agency Limited (PACRA) on February 08, 2020. The Fund has been given performance ranking of 4-Star in performance period of 1 year, 3-Star in performance period of 3 year and 4-Star in performance period of 5 year by PACRA on September 01, 2020.

### 2. BASIS OF PRESENTATION

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

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the 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 Regulations and the 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 Fund'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.

<b>5 BANK BALANCES</b>	<b>Note</b>	<b>(Un-audited) September 30 2020 (Rupees in '000)</b>	<b>(Audited) June 30 2020</b>
Savings accounts	5.1	23,486	7,995
Current accounts		155	155
		<b>23,641</b>	<b>8,150</b>

**5.1** These represents saving accounts maintained with various banks carrying profit at the rate ranging from 5.00% to 5.50% (30 June 2020: ranging from 5.00%. to 6.50%) per annum.

### **6 INVESTMENTS**

*Investments in securities at fair value through profit or loss*

Listed equity securities	6.1	<b>2,372,893</b>	<b>1,658,856</b>
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## 6.1 Listed Equity Securities

Name of the investee company	Face value per share (Rupees)	As of July 01, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As of Sept. 30, 2020	Balance as of Sept. 30, 2020		Market value as percentage of investments	Market value as percentage of net assets	Percentage of paid up capital of the investee company held	
							Number of shares	Carrying cost				
Fully paid ordinary shares												
Rupees in '000												
<b>Automobile Assembler</b>												
Ghondara Industries Limited	10	25,000	-	-	-	25,000	3,025	5,891	2,866	0.25	0.25	0.06
Ghondara Nissan Limited	10	126,665	-	-	-	126,665	7,948	10,704	2,756	0.45	0.46	0.22
Honda Altos Cars (Pakistan) Limited	10	-	60,000	-	-	60,000	18,334	15,536	(2,998)	0.65	0.67	0.04
							<b>29,307</b>	<b>32,131</b>	<b>2,624</b>			
<b>Automobile Parts &amp; Accessories</b>												
The General Tyre and Rubber Company of Pakistan Limited	10	108,348	-	-	108,000	348	21	23	2	-	-	-
Thal Limited	5	176,200	104,200	-	26,200	254,200	93,547	106,848	13,301	4.50	4.59	0.31
							<b>93,568</b>	<b>106,871</b>	<b>13,303</b>			
<b>Cable and Electrical Goods</b>												
Pakistan Cables Limited	10	472,525	-	-	-	472,525	50,508	65,095	14,887	2.74	2.80	1.33
<b>Cement</b>												
Jowden Corporation Limited	10	8,299,822	-	-	2,700,000	5,589,822	125,771	128,231	2,460	5.40	5.51	1.76
<b>Chemical</b>												
Buxy Points Limited	10	31,500	-	-	-	31,500	1,184	1,418	234	0.06	0.06	2.19
Lotte Chemical Pakistan Limited	10	100,000	696,000	-	200,000	596,000	7,762	7,152	(610)	0.30	0.31	0.04
Nirrit Industrial Chemicals Limited	10	109,624	-	-	500	109,124	6,378	8,233	1,855	0.35	0.35	0.10
							<b>15,324</b>	<b>16,803</b>	<b>1,479</b>			

Name of the investee company	Face value per share (Rupees)	Number of shares				Balance as at Sept. 30, 2020			Market value as percentage of investments	Market value as percentage of net assets	Percentage of paid up capital of the investee company held	
		As at July 01, 2020	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sept. 30, 2020	Carrying cost	Market value				Appreciation/ (diminution)
Rupees in '000												
%												
<b>Commercial Banks</b>												
Bank Afrah Limited	10	-	350,000	-	-	350,000	12,190	12,173	(17)	0.51	0.52	0.02
BankIslami Pakistan Limited	10	3,745,000	400,000	-	1,095,000	3,050,000	23,819	31,446	7,627	1.33	1.35	0.28
Faysal Bank Limited	10	-	1,093,500	-	-	1,093,500	19,363	18,732	(631)	0.79	0.80	0.07
Notion Bank of Pakistan	10	-	33,500	-	-	33,500	1,374	1,336	(38)	0.06	0.06	-
Samba Bank Limited	10	412,000	-	-	52,000	360,000	2,812	2,462	(350)	0.10	0.11	0.04
Sorrel Bank Limited	10	-	14,500,000	-	11,759,000	2,741,000	24,669	25,574	905	1.08	1.10	0.25
The Bank of Faysal	10	6,500,000	-	-	1,500,000	5,000,000	42,000	49,400	7,400	2.08	2.12	0.19
United Bank Limited	10	-	290,000	-	-	290,000	36,093	33,882	(2,211)	1.41	1.43	0.02
						<b>162,320</b>	<b>174,505</b>	<b>12,185</b>				
<b>Engineering</b>												
Devi Steels Limited	10	46,500	-	-	-	46,500	142	221	79	0.01	0.01	0.01
International Industries Limited	10	50,000	-	-	-	50,000	4,587	7,247	2,660	0.31	0.31	0.04
Pakistan Engineering Company Limited	10	6,900	-	-	-	6,900	1,009	1,382	373	0.06	0.06	0.12
						<b>5,738</b>	<b>8,850</b>	<b>3,112</b>				
<b>Food and Personal Care Products</b>												
Al-Sharbee Corporation Limited	10	8,031,749	2,610,000	-	725,000	9,916,749	129,809	190,005	60,196	8.01	8.16	4.96
Fajri Foods Limited	10	3,150,000	1,520,000	-	1,000,000	3,670,000	38,004	58,793	20,789	2.48	2.53	0.69
Freshnocompigno Engrs Pakistan Limited	10	190,000	-	-	190,000	-	-	-	-	-	-	-
Microw Foods Limited	10	806,000	-	-	-	806,000	15,362	17,506	2,144	0.74	0.75	0.66
Notionl Foods Limited	10	28,060	-	-	28,060	-	-	-	-	-	-	-
Quice Food Industries Limited	10	5,378,000	-	-	-	5,378,000	25,546	26,406	860	1.11	1.13	5.46
						<b>208,721</b>	<b>292,710</b>	<b>83,989</b>				
<b>Glass &amp; Ceramics</b>												
Balochistan Glass Limited	10	1,300,000	-	-	-	1,300,000	8,437	9,243	806	0.39	0.40	0.50

Name of the investee company	Face value per share (Rupees)	Number of shares				Balance as at Sept. 30, 2020			Market value as percentage of investments	Market value as percentage of net assets	Percentage of paid up capital of the investee company held
		As at July 01, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As at Sept. 30, 2020	Carrying cost	Market value			
Rupees in '000											
%											

**Fully paid ordinary shares**

**Insurance**

Askari General Insurance Company Limited	10	779,533	-	-	-	779,533	15,991	18,709	3,118	0.79	0.80	1.08
EHU General Insurance Limited	10	344,600	-	-	17,100	327,500	36,018	38,956	2,938	1.64	1.67	0.16
Pakistan Reinsurance Company Limited	10	239,000	-	-	-	239,000	5,437	6,467	1,030	0.27	0.28	0.08
TRI Insurance Limited	10	3,128,997	-	-	-	3,128,997	68,836	90,988	22,152	3.83	3.91	3.33
							<b>125,892</b>	<b>155,120</b>	<b>29,238</b>			

**Investment Banks / I/b Cos. / Securities Cos**

Jahangir Siddiqui & Co. Limited	10	12,237,500	1,000,000	-	6,238,000	6,099,500	72,135	156,452	84,317	6.59	6.72	0.67
JS Investments Limited	10	3,349,000	-	-	-	3,349,000	49,565	72,338	22,773	3.05	3.11	5.42
Pakistan Stock Exchange Limited (note 6.1.2)	10	15,315,621	-	-	-	15,315,621	151,625	252,708	101,083	10.65	10.86	1.91
							<b>273,325</b>	<b>481,498</b>	<b>208,173</b>			

**Miscellaneous**

Shifa International Hospitals Limited	10	65,000	-	-	55,000	10,000	2,334	2,228	(106)	0.09	0.10	0.02
TPL Properties Limited	10	2,992,500	2,000,000	-	1,000,000	3,992,500	25,237	39,805	14,568	1.88	1.71	1.22
Ti-Pock Films Limited	10	50,000	-	-	50,000	-	-	-	-	-	-	-
							<b>27,571</b>	<b>42,033</b>	<b>14,462</b>			

**Oil & Gas Marketing Companies**

Pakistan State Oil Company Limited	10	-	50,000	-	-	50,000	10,215	10,010	(205)	0.42	0.43	0.01
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**Paper & Board**

Pakistan Paper Products Limited	10	114,000	-	-	-	114,000	8,647	11,058	2,411	0.47	0.48	1.43
Reston Packages Limited	10	364,000	-	-	-	364,000	8,161	12,624	4,463	0.33	0.34	0.26
							<b>16,808</b>	<b>23,682</b>	<b>6,874</b>			

**Pharmaceuticals**

Gleco Smitikline Pakistan Limited	10	50,000	-	-	40,000	10,000	1,741	1,836	95	0.08	0.08	-
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Name of the investee company	Face value per share (Rupees)	Number of shares - .....					Balance as at Sept. 30, 2020			Market value as percentage of investments	Market value as percentage of net assets	Percentage of paid up capital of the investee company held
		As at July 01, 2020	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sept. 30, 2020	Carrying cost	Market value	Appreciation/ (diminution)			
<b>Fully paid ordinary shares</b>												
<b>Power Generation &amp; Distribution</b>												
Engro Powergen Qadirpur Limited	10	-	155,500	-	-	155,500	3,507	3,102	(405)	0.13	0.13	0.05
Hub Power Company Limited	10	175,000	282,604	-	-	457,604	36,430	35,904	(526)	1.51	1.54	0.04
Japan Power Generation Limited (6.1.4)	10	4,261,500	-	-	-	4,261,500	-	-	-	-	-	2.73
K-Electric Limited	3.50	25,000,000	-	-	-	25,000,000	75,250	105,250	30,000	4.44	4.52	0.09
Kot Addu Power Company Limited	10	-	59,500	-	59,500	-	-	-	-	-	-	-
Lahor Power Limited	10	-	7,350,000	-	867,500	6,482,500	86,007	85,180	(827)	3.59	3.66	1.71
Nishat Churton Power Limited	10	200,000	700,000	-	-	900,000	14,363	12,933	(1,430)	0.55	0.56	0.24
Nishat Power Limited	10	-	506,000	-	-	506,000	13,289	11,795	(1,494)	0.50	0.51	0.14
							<b>228,846</b>	<b>254,164</b>	<b>25,318</b>			
<b>Refinery</b>												
Attock Refinery Limited	10	50,000	-	-	50,000	-	-	-	-	-	-	-
National Refinery Limited	10	100,000	-	-	-	100,000	10,728	17,397	6,669	0.73	0.75	0.13
							<b>10,728</b>	<b>17,397</b>	<b>6,669</b>			
<b>Sugar and Allied Industries</b>												
Imperial Sugar Limited	10	141,500	-	-	-	141,500	1,898	2,240	342	0.09	0.10	0.14
<b>Synthetic and Rayon</b>												
Pakistan Synthetics Limited	10	762,000	-	-	-	762,000	12,238	13,480	1,242	0.57	0.58	0.91
<b>Technology and Communication</b>												
Neisal Technologies Limited	10	200,000	-	-	200,000	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	10	750,000	-	-	500,000	250,000	2,220	2,703	483	0.11	0.12	0.01
Systems Limited	10	-	51,000	-	-	51,000	13,908	13,874	(34)	0.38	0.60	0.04
TPL Corporation Limited	10	365,500	-	-	-	365,500	1,993	2,197	204	0.09	0.09	0.14
TPL Ticker Limited	10	-	1,667,000	-	-	1,667,000	20,004	17,337	(2,667)	0.73	0.74	0.51
TRG Pakistan Limited (note 6.1.1 & 6.1.3)	10	7,234,245	-	-	860,000	6,374,245	180,009	332,481	152,472	14.01	14.28	1.17
Worldcall Telecom Limited	10	1,000,000	-	-	1,000,000	-	-	-	-	-	-	-
							<b>218,134</b>	<b>368,592</b>	<b>150,458</b>			

Rupees in '000 ..... %

Name of the investee company	Face value per share (Rupees)	Number of shares					Balance as at Sept. 30, 2020			Market value as percentage of investments	Market value as percentage of net assets	Percentage of paid up capital of the investee company held
		As at July 01, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As at Sept. 30, 2020	Carrying cost	Market value	Appreciation/ (diminution)			
Fully paid ordinary shares												
Rupees in '000												
%												
<b>Textile Composite</b>												
Gu Ahmed Textile Mills Limited	10	33,500	200,000	-	-	233,500	8,559	8,714	155	0.37	0.37	0.05
Interloop Limited	10	200,000	-	-	-	200,000	8,784	13,410	4,626	0.57	0.38	0.02
Masood Textile Mills Limited	10	1,000	-	-	-	1,000	60	61	1	-	-	-
Nishat (Chunari) Limited	10	15,000	-	-	-	15,000	487	591	104	0.02	0.03	0.01
Nishat Mills Limited	10	50,000	-	-	50,000	-	-	-	-	-	-	-
							<b>17,890</b>	<b>22,776</b>	<b>4,886</b>			
<b>Textile Spinning</b>												
Colony Textile Mills Limited	10	400,000	-	-	-	400,000	1,600	1,552	(48)	0.07	0.07	0.08
Crecent Fibres Limited	10	37,000	-	-	-	37,000	1,380	1,299	(81)	0.05	0.06	0.30
Elcoot Spinning Mills limited	10	669,138	-	-	-	669,138	60,209	60,892	683	2.57	2.62	6.11
Fozal Cloth Mills limited	10	600	-	-	-	600	84	74	(10)	-	-	-
Island Textile Mills limited	10	35,530	-	-	-	35,530	51,334	32,208	(19,126)	1.36	1.38	7.11
Premium Textile Mills Ltd	10	10,000	-	-	-	10,000	2,002	2,417	415	0.10	0.10	0.16
Saf Textile Mills Limited	10	141,000	-	-	-	141,000	2,040	2,205	165	0.09	0.09	0.53
Safii Textile Mills Limited	10	25,604	-	-	-	25,604	3,457	4,649	1,192	0.20	0.20	0.77
Talor Textile Mills limited	10	30,392	-	-	-	30,392	942	1,076	134	0.05	0.05	0.18
							<b>123,048</b>	<b>106,372</b>	<b>(16,676)</b>			
<b>Textile Weaving</b>												
Semin Textiles limited	10	53,500	-	-	-	53,500	160	196	36	0.01	0.01	0.20
<b>Vanaspoti &amp; Allied Industries</b>												
Punjab Oil Mills limited	10	204,300	-	-	-	204,300	32,494	29,981	(2,513)	1.26	1.29	3.79
S.S Oil Mills limited	10	156,500	-	-	-	156,500	6,612	9,077	2,465	0.38	0.39	2.77
							<b>39,106</b>	<b>39,058</b>	<b>(48)</b>			
<b>Total as of September 30, 2020</b>												
							<b>1,807,484</b>	<b>2,372,893</b>	<b>565,409</b>			
<b>Total as at June 30, 2020</b>												
							1,788,383	1,658,856	(129,527)			

- 6.1.1** This includes 2,500,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.
- 6.1.2** The exposure limit of a investment in a single company as a percentage of net assets exceeded by 0.86% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.
- 6.1.3** The exposure limit of a investment in a single company as a percentage of net assets exceeded by 4.28% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.
- 6.1.4** PSX vide their notice PSX/N-1086 dated October 02, 2020 informed that the trading in the share of M/s Japan power Generation Limited shall remain suspended until

such time the cause of suspension has been rectified or for another period of 60 days effective from October 03, 2020.

	(Un-audited)	(Audited)
	September 30	June 30
<b>7 DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES</b>	<b>2020</b>	<b>2020</b>
	Note	(Rupees in '000)
Security deposits with		
- National Clearing Company of Pakistan Limited	<b>2,500</b>	2,500
- Central Depository Company of Pakistan Limited	<b>100</b>	100
Advance tax - Dividend	<b>141</b>	141
Advance tax - Bank profit	<b>34</b>	34
Prepaid PSX Listing fee	<b>21</b>	-
Receivable against conversion of units - AKD Funds	<b>63,864</b>	1,038
	<b>66,660</b>	<b>3,813</b>
<b>8 PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
Management fee	8.1 <b>3,914</b>	2,691
Sindh Sales Tax on management fee	8.2 <b>509</b>	350
Federal Excise Duty on management fee	8.3 <b>10,092</b>	10,092
Expenses allocated by the management company	8.4 <b>1,693</b>	136
Others	<b>576</b>	109
	<b>16,784</b>	<b>13,378</b>

- 8.1** The Management Company charged remuneration at the rate of 2 % per annum of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2** Sindh Sales Tax at the rate of 13% (2019: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.
- 8.3** 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. 10.092 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. 0.4194 per unit (2020: Rs. 0.4165 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.

- 8.4** 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 0.35% 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.

		(Un-audited) September 30 2020	(Audited) June 30 2020
		(Rupees in '000)	
<b>9</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>Note</b>	
	Trustee fee	9.1      274	212
	Sindh Sales Tax	9.2      36	28
		310	240

- 9.1** The Trustee is entitled to a monthly remuneration 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. The fee is paid to the Trustee monthly in arrears.

The tariff structure applicable to the fund is as follows:

**Net assets upto 1 billion**

Rs.0.20% per annum of the average net assets of the Fund.

**Net assets exceeding 1 billion**

Rs. 2 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs. 1 billion

- 9.2 Sindh sales tax at the rate of 13% (June 30, 2020: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

		(Un-audited) September 30 2020	(Audited) June 30 2020
	Note	(Rupees in '000)	
<b>10 ANNUAL FEE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>			
<b>Annual Fee SECP</b>	<b>10.1</b>	<b>106</b>	<b>314</b>

- 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 percent of the average annual net assets of the scheme.

### 11 ACCRUED EXPENSES AND OTHER LIABILITIES

Brokerage payable		2,390	2,079
Auditors remuneration		302	230
Printing charges payable		185	152
Provision for Sindh Workers' Welfare Fund	11.1	41,008	26,519
Withholding tax payable		2,957	522
Others		411	333
		<b>47,253</b>	<b>29,835</b>

#### 11.1 Provision for Sindh Workers' Welfare Fund (SWWF)

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. 14.489 million (Sep. 30, 2019: Nil) for the period and Rs. 41.008 million (June 30 2020: Rs. 26.519 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 Rs. 1.70 per unit as on September 30, 2020 (June 30, 2020: Re. 1.09 per unit).

### 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 1.55% (Sept 30, 2019: 0.73%) which includes 0.78% (Sept. 30, 2019: 0.08%) representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations.

### 13 CONTINGENCIES AND COMMITMENTS

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

### 14 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.

### 15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

## AKD Opportunity Fund - Quarterly Report September 2020

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

	(un-Audited) September 30 2020	(Audited) June 30 2020
	(Rupees in '000)	
<b>15.1 Details of balances with connected persons / related parties as at period / year end</b>		
<b>AKD Investment Management Limited - Management Company</b>		
Remuneration payable	3,914	2,691
Sindh Sales Tax on Management remuneration	509	350
Federal Excise Duty payable on Management	10,092	10,092
Allocated expenses by the Management Company	1,693	136
Sales load payable	576	109
<b>Central Depository Company of Pakistan Limited - Trustee of the Fund</b>		
Remuneration payable	274	212
Sales tax on trustee remuneration payable & CDS	38	29
Security deposit	100	100
CDS charges payable	17	7
<b>Receivable / Payable against Conversion of units - AKD Funds</b>		
Receivable against Conversion of units - AKD Cash Fund	11,644	1,038
Receivable against Conversion of units - AKD Islamic Stock Fund	6,733	-
Receivable against Conversion of units - AKD Islamic Income Fund	45,487	-
Payable against Conversion of units - AKD Cash Fund	13,364	-
Payable against Conversion of units - AKD Islamic Income Fund	53,569	-
<b>Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund</b>		
Units outstanding : 72,003 (2020: 72,003)	6,966	4,831
<b>Arabian Sea Enterprises Limited (having invested more than 10% in the units of the Fund)</b>		
Units outstanding : 3,573,194 (2020: 3,573,194)	345,695	239,752
<b>KAPCO Employees Pension Fund Trust** (having invested more than 10% in the units of the Fund)</b>		
Units outstanding : Nil (2020: 2,478,380)	-	166,293
** prior period party current figures not shown		
<b>AKD Investment Management Limited Staff Provident Fund</b>		
Units outstanding : 44,563 (2020: 44,563)	4,311	2,990

## AKD Opportunity Fund - Quarterly Report September 2020

	(un-Audited) September 30 2020	(Audited) June 30 2020
	(Rupees in '000)	
<b>Mr. Ameer Arif Dagha</b> <b>Spouse of Mrs. Annum Dhedi (Director)</b> Units outstanding : 137,627 (2020: 137,627)	13,315	9,234
<b>Spouse - Chief Executive Officer of the Management Company</b> Units outstanding : 5,671 (2020: Nil)	549	-
<b>Ms. Afsheen Aqeel Dhedhi</b> <b>Close relative of Mr. Aqeel Karim Dhedhi</b> Units outstanding : 61 (2020: 61)	6	4
<b>Ms. Ayesha Aqeel Dhedhi</b> <b>Close relative of Mr. Aqeel Karim Dhedhi</b> Units outstanding : 121 (2020: 121)	12	8
<b>Mr. Imran Motiwala</b> <b>The Chief Executive Officer of the Management Company</b> Units outstanding : 83,964 (2020: 73,474)	8,123	4,930
<b>Mr. Muhammad Yaqoob (with hir spouse and minor children)</b> <b>The Chief Operating Officer and Company Secretary</b> Units outstanding : 79,182 (2020: 48,496)	7,661	3,254
<b>Mr. Hasan Ahmed</b> <b>Director of the Management Company</b> Units outstanding : 21,385 (2020: 21,385)	2,069	1,435
<b>Mr. Toqir Hussain</b> <b>Head of Information Technology</b> Units outstanding : 65 (2020: 65)	6	4
<b>Mr. Murtaza Wahab Siddiqui</b> <b>Spouse of the Director of the Management Company</b> Units outstanding : 36,068 (2020: 36,068)	3,489	2,420
<b>Mr. Ali Wahab Siddiqui</b> <b>Director of the Management Company</b> Units outstanding : 1,829 (2020: 1,829)	177	123
<b>AKD Securities Limited - Brokerage House</b> Brokerage payable on purchase and sale of marketable securities	800	601
<b>Ellcot Spinning Mills Limited - Common Directorship</b> Shares held 669,138 (June 30 2020: 669,138)	60,892	60,209

15.2	Details of transactions with connected persons / related parties during the period	(Unaudited) Period ended September 30, 2020                      2019 (Rupees in '000)	
	<b>AKD Investment Management Limited - Management Company of the Fund</b>		
	Remuneration for the period	10,560	7,238
	Sindh Sales tax on Management Company's remuneration	1,373	941
	Allocated expense by the Management Company	1,848	362
	Sales load	467	3
	<b>Central Depository Company of Pakistan Limited - Trustee of the Fund</b>		
	Remuneration for the period	780	613
	CDS charges for the period	48	12
	Sales tax on Trustee remuneration and CDS Charges	108	81
	<b>Spouse - Chief Executive Officer of the Management Company</b>		
	Units issued : 5,671 (2019: Nil)	549	-
	<b>Mr. Imran Motiwala</b>		
	The Chief Executive Officer of the Management Company		
	Units Issued : 16,120 (2019: 19,851)	1,305	1,156
	Units redeemed : 5,630 (2019: Nil)	473	-
	Units redeemed : (2019: 19,869)	-	1,156
	<b>Mr. Muhammad Yaqoob (with his spouse and minor children) The Chief Operating Officer and Company Secretary</b>		
	Units Issued : 30,686 (2019: Nil)	2,166	-
	Units redeemed : Nil (2019: 4,730)	-	266
	<b>AKD Securities Limited - Brokerage House</b>		
	Commission on purchase and sale of marketable securities	267	20
	Shares of JVDC Sold by AKD Opportunity Fund to AKD Securities Limited	64,600	-

## 16 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.

	September 30, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>ASSETS</b>				
Investments in listed equity securities - at fair value through profit and loss	<b>2,372,893</b>	-	-	<b>2,372,893</b>

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>ASSETS</b>				
Investments in listed equity securities - at fair value through profit and loss	<b>1,658,856</b>	-	-	<b>1,658,856</b>

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.

## 17 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.

## 18 GENERAL

18.1 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.

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

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

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

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

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



**AKD Investment  
Management Ltd.**

**Head Office:**

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

**Gulshan-e-Iqbal Branch:**

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

**Abbottabad Branch:**

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

**Lahore Branch:**

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

E-mail : [info@akdinvestment.com](mailto:info@akdinvestment.com)  
Website : [www.akdinvestment.com](http://www.akdinvestment.com)