Funds Managed by:

AKD Investment Management Ltd.

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

half yearly report

AKD OPPORTUNITY FUND

AKD INDEX TRACKER FUND

AKD CASH FUND

AKD AGGRESSIVE INCOME FUND

AKD ISLAMIC INCOME FUND

AKD ISLAMIC STOCK FUND

GOLDEN ARROW STOCK FUND

Partner with AKD
Profit from the Experience

AKD Investment Management Ltd.

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MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Abdul Karim

Director & Chief Executive Officer
Mr. Imran Motiwala

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

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)
Mr. Hasan Ahmed (Member)
Mr. Saim Mustafa Zuberi (Member)
Ms. Tayyaba Masoom Ali (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

Ms. Aysha Ahmed (Chairman)
Mr. Abdul Karim (Member)
Mr. Imran Motiwala (Member)
Ms. Anum Dhedhi (Member)
Mr. Saim Mustafa Zuberi (Member)
Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING

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

CORPORATE INFORMATION

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

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

AKD Index Tracker Fund (AKDITF)

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

AKD Cash Fund (AKDCF)

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

AKD Aggressive Income Fund (AKDAIF)

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

AKD Islamic Income Fund (AKDISIF)

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

AKD Islamic Stock Fund (AKDISSF)

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

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

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

MACRO PERSPECTIVE:

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

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

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

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

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

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

EQUITY REVIEW:

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

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

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

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

MONEY MARKET REVIEW:

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

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

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

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

FUTURE OUTLOOK:

Going into 2HFY20, the market is expected to remain volatile with FATF related news and stringent compliance requirements particularly on the fiscal side under the IMF program, including prospective hikes in electricity and gas tariffs in addition to structural reforms. With the Government running revenue shortfalls investors will remain cautious of an early economic revival which is expected to exert pressure on stock prices or keep significant upside in check. Sharp uptick in inflation has delayed the monetary easing cycle hence pace and timing of monetary adjustments holds the key for sustaining the thrust of the market.

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

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

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

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim Memon
Chairman

Karachi: February 21, 2020

AKD Islamic Income Fund
Financial Information - First Half FY20

Contents

AKD Islamic Income Fund

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

TRUSTEE
MCB Financial Services Limited
4th Floor, Perdesi House,
2/1 R-Y Old Queens Road,
Karachi-74200

BANKERS
BankIslami Paskistan Limited
Dubai Islamic Bank Pakistan Limited
Summit Bank Limited (Islamic Banking)

AUDITORS
Deloitte Yousuf Adil
Chartered Accoutants
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)

DISTRIBUTORS
AKD Investment Management Limited
Investomate (Private) Ltd.
Investlink Advisor (Private) Limited
Metro Capital (Private) Ltd.

RATING
AKD Islamic Income Fund
PACRA: A+(f) [A Plus(f)]

FUND MANAGER'S REPORT

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

Open - end Islamic Income scheme.

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

AKD Islamic income fund (AKDISIF) is a fund that primarily focuses on Shariah compliant income securities and instruments. The objective of AKDISIF is to provide investors with an investment Vehicle that strives to enhance capital coupled with regular halal income by investing in Shariah compliant income investments.

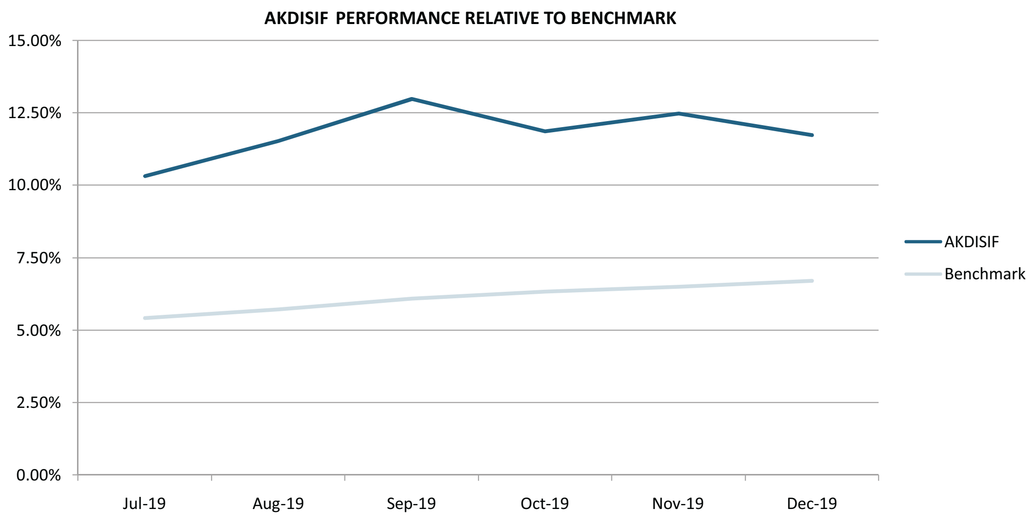
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1HFY20, the annualized return of AKD Islamic Income Fundstood at1 2.11% compared to benchmark return of 6.12%.

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

Six (6) months average deposit rates of three (3)A Rated Scheduled Islamic Banks or Islamic Windows of Conventional 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-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
AKDISIF	10.32%	11.54%	12.99%	11.87%	12.48%	11.73%
Benchmark	5.42%	5.71%	6.09%	6.32%	6.50%	6.70%

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

AKD Islamic income fund is an open - end Islamic income scheme. The returns of the fund are generated through investment in high quality Shariah complaint securities and Islamic Bank deposit.AKDISIF is fully complied with the relevant policies and procedures as per fund's regulatory requirements.

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

Asset Allocation (% of Total Assets)	31-Dec-19	30-Sep-19
Cash and Cash Equivalents	85.81%	80.38%
Sukuk	12.44%	17.94%
Other Assets Including Receivables	1.75%	1.68%

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

1HFY20(annualized)	12.11%
Benchmark (annualized)	6.12%

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

Net Assets Value			NAV Per Unit	
31-Dec-19	30-Sep-19	Change in Net Assets	31-Dec-19	30-Sep-19
(Rupees in 000)			(Rupees)	
214,779	250,004	-14.09%	53.21	51.63

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:

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

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

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:

Range (Units)	No. of Investors
0.1 - 9,999	295
10,000 - 49,999	20
50,000 - 99,999	6
100,000 - 499,999	7
500,000 and above	2
	330

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.

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

AKD ISLAMIC INCOME FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

AKD Islamic Income Fund, an open-end Scheme established under a Trust Deed dated August 30, 2017 executed between AKD Investment Management Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Fund commenced its operations on February 21, 2018.

1. AKD Investment Management Limited, the Management Company of AKD Islamic Income Fund has, in all material respects, managed AKD Islamic Income Fund during the period ended 31st December 2019 in accordance with the provisions of the following:

   (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;

   (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;

   (iii) the creation and cancellation of units are carried out in accordance with the deed;

   (iv) and any regulatory requirement

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi, February 25, 2020

REVIEW REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

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

Scope of Review

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

Conclusion

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

Deloitte Yousuf Adil
Chartered Accountants
Engagement Partner: Nadeem Yousuf Adil

Karachi: February 28, 2020

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

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
		------- (Rupees in '000) -------	
Assets			
Bank balances	4	**186,370**	178,015
Investments	5	**27,025**	46,554
Profit receivable on bank deposits and sukuk certificates		**2,713**	2,623
Deposits, prepayments and other receivables	6	**190**	259
Preliminary expenses and floatation cost	7	**900**	1,044
Total assets		**217,198**	228,495
Liabilities			
Payable to the Management Company	8	**1,244**	1,350
Payable to the Trustee	9	**25**	25
Payable to Securities and Exchange Commission of Pakistan	10	**24**	124
Accrued expenses and other liabilities	11	**1,126**	1,408
Total liabilities		**2,419**	2,907
Net assets		**214,779**	225,588
Unit holders' fund (as per statement attached)		**214,779**	225,588
Contingencies and commitments	12		
		Number of units	
Number of units in issue		**4,036,095**	4,497,935
		------ Rupees ------	
Net assets value per unit		**53.2146**	50.1537

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Note	For the half year ended December 31, 2019	2018	For the quarter ended December 31, 2019	2018
		------('Rupees in '000) ------			
Income					
Net unrealised (diminuition) / appreciation on remeasurement of investments 'at fair value through profit or loss'	5.1	**(29)**	3	**88**	(17)
Income from sukuk certificates		**3,022**	1,599	**1,402**	859
Profit on bank deposits		**12,785**	3,664	**6,797**	1,721
Total income		**15,778**	5,266	**8,287**	2,563
Expenses					
Remuneration of the Management Company	8.1	**246**	-	**246**	-
Sales tax on the remuneration of the Management Company	8.2	**32**	-	**32**	-
Remuneration of the Trustee	9.1	**145**	80	**74**	**35**
Sales tax on the Trustee remuneration	9.2	**19**	11	**8**	5
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	**24**	50	**12**	22
Expenses allocated by the Management Company	8.3	**121**	66	**62**	28
Auditors' remuneration		**90**	62	**46**	17
Settlement and bank charges		**41**	30	**22**	16
Amortisation of preliminary expenses and floatation costs		**144**	145	**72**	72
Fee and subscription		**99**	96	**51**	47
Printing and related cost		**75**	48	**37**	8
Legal and professional charges		**157**	95	**78**	74
Provision against Sindh Workers' Welfare Fund		**292**	92	**151**	45
Total expenses		**1,485**	775	**891**	369
Net income for the period before taxation		**14,293**	4,491	**7,396**	2,194
Taxation	14	**-**	-	**-**	-
Net income for the period after taxation		**14,293**	4,491	**7,396**	2,194
Allocation of net income for the period					
Net income for the period after taxation		**14,293**	4,491	**7,396**	2,194
Income already paid on units redeemed		**(3,774)**	(1,340)	**(3,146)**	(539)
		10,519	3,151	**4,250**	1,655
Accounting income available for distribution					
Relating to capital gains		**-**	3	**88**	-
Excluding capital gains		**10,519**	3,148	**4,162**	1,655
		10,519	3,151	**4,250**	1,655

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	Muhammad Munir Abdullah	Anum Dhedhi
Chief Executive Officer	Chief Financial Officer	Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	For the half year ended December 31,		For the quarter ended December 31,	
	2019	2018	**2019**	2018
	------('Rupees in '000) ------			
Net income for the period after taxation	**14,293**	4,491	**7,396**	2,194
Other comprehensive income for the period	**-**	-	-	-
Total comprehensive income for the period	**14,293**	4,491	**7,396**	2,194

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	For the half year ended December 31, 2019			For the half year ended December 31, 2018		
	Rupees in '000			Rupees in '000		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
Net assets at beginning of the period	**224,936**	**652**	**225,588**	228,503	1,869	230,372
Issue of 3,410,522 units (2018: 3,268,488 units)						
- Capital value (net asset value per unit at beginning of the period)	**171,050**	**-**	**171,050**	163,443	-	163,443
- Element of income	**3,732**	**-**	**3,732**	2,795	-	2,795
Total proceeds on issuance of units	**174,782**	**-**	**174,782**	166,238	-	166,238
Redemption of 3,872,362 units (2018: 5,350,704 units)						
- Capital value (net asset value per unit at beginning of the period)	**194,213**	**-**	**194,213**	267,566	-	267,566
- Amount paid out of element of income	**-**	**(3,774)**	**(3,774)**	-	1,340	1,340
- Element of income	**9,445**	**-**	**9,445**	1,555	-	1,555
Total payments on redemption of units	**203,658**	**(3,774)**	**199,884**	269,121	1,340	270,461
Total comprehensive income for the period	**-**	**14,293**	**14,293**	-	4,491	4,491
Distribution during the period	-	**-**	**-**	-	(1,869)	(1,869)
Refund of capital	**-**	**-**	**-**	(1,674)	-	(1,674)
Net income for the period less distribution	**-**	**14,293**	**14,293**	(1,674)	2,622	948
Net assets at end of the period	**196,060**	**11,171**	**214,779**	123,946	3,151	127,097
Undistributed income brought forward						
- Realised income	**-**	**864**	**864**	-	2,033	2,033
- Unrealised loss	**-**	**(212)**	**(212)**	-	(164)	(164)
	-	**652**	**652**	-	1,869	1,869
Accounting income available for distribution						
- Relating to capital gains	**-**	**-**	**-**	-	3	3
- Excluding capital gains	**-**	**10,519**	**10,519**	-	3,148	3,148
	-	**10,519**	**10,519**	-	3,151	3,151
Distribution during the period Re. Nil (2019 : Re. 0.78101 per unit i.e. 1.56% of the par value)	**-**	**-**	**-**	-	(1,869)	(1,869)
Undistributed income carried forward	**-**	**11,171**	**11,171**	-	3,151	3,151
Undistributed income carried forward						
- Realised income	**-**	**11,200**	**11,200**	-	3,148	3,148
- Unrealised loss	**-**	**(29)**	**(29)**	-	3	3
	-	**11,171**	**11,171**	-	3,151	3,151
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			**50.1537**			50.7868
Net assets value per unit at end of the period			**53.2146**			51.7950

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Note	For the half year ended December 31, 2019	2018	For the quarter ended December 31, 2019	2018
		------('Rupees in '000) ------			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation		**14,293**	4,491	**7,396**	2,194
Adjustments					
Amortisation of preliminary expenses and floatation costs		**144**	145	**72**	72
Net unrealised diminution / (appreciation) on remeasurement of investments 'at fair value through profit or loss'	5.3	**29**	(3)	**(88)**	17
		14,466	4,633	**7,380**	2,283
(Increase) / decrease in assets					
Profit receivable on bank deposits and sukuk certificates		**(90)**	(55)	**323**	(131)
Deposits, prepayments and other receivables		**69**	51,771	**49**	51
		(21)	51,716	**372**	(80)
(Decrease) / increase in liabilities					
Payable to the Management Company		**(106)**	(270)	**159**	(11)
Payable to the Trustee		**-**	(8)	**(2)**	(1)
Payable against redemption of units		**-**	(1,250)	**-**	(1,811)
Payable to Securities and Exchange Commission of Pakistan		**(100)**	7	**12**	22
Accrued expenses and other liabilities		**(282)**	32	**341**	(20)
		(488)	(1,489)	**510**	(1,821)
Investment-net		**19,500**	-	**18,249**	-
Net cash generated from operating activities		**33,457**	54,860	**26,511**	382
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		**174,782**	164,564	**68,720**	64,613
Payment against redemption of units		**(199,884)**	(270,461)	**(111,341)**	(74,271)
Dividend paid		**-**	(1,869)	**-**	-
Net cash used in financing activities		**(25,102)**	(107,766)	**(42,621)**	(9,658)
Net increase / (decrease) in cash and cash equivalents		**8,355**	(52,906)	**(16,110)**	(9,276)
Cash and cash equivalents at beginning of the period		**178,015**	144,188	**202,480**	100,558
Cash and cash equivalents at end of the period	4	**186,370**	91,282	**186,370**	91,282

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Islamic Income Fund (the Fund) was established under a Trust Deed, dated August 30, 2017, executed between AKD Investment Management Limited (AKDIML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on May 30, 2017. The initial Public Offering (IPO) of the Fund was made during the period from February 19, 2018 to February 20, 2018 and the Fund commenced operations from February 21, 2018.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the 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 mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Fund is categorised as an open end Shariah Complaint (Islamic) Income Scheme in accordance with Circular 7 of 2009, issued by the Securities and Exchange Commission of Pakistan (SECP). Al-Hilal Shariah Advisors (Private) Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of 'AM3++' to the Management Company dated August 9, 2019. PACRA has also assigned fund stability rating of "A+(f)" to the fund dated October 30, 2019.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017; and

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.2 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.3 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

	Note	**(Unaudited) December 31, 2019**	(Audited) June 30, 2019
		-------- (Rupees in '000) --------	
4. BANK BALANCES			
In saving accounts	4.1	**186,370**	178,015

4.1 Mark-up rates on these accounts range between 11.25% to 13% per annum (June 30, 2019 6.50% to 12.25% per annum).

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
5. INVESTMENTS	**Note**	**-------- (Rupees in '000) --------**	
At fair value through profit and loss'			
- Listed sukuk certificates	5.1	**27,025**	31,554
- Unlisted sukuk certificates		-	15,000
		27,025	46,554

5.1 Debt securities - Sukuk Certificates

Name of investee company	Rate of return (per anum)	Number of Units				Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised (diminution) / appreciation as at December 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total investments
		Opening	Purchased during the period	Sold/matured during the period	As at December 31, 2019					
						------------------ Rupees in '000	------------------		---------- %	----------
Sukook certificates - listed										
Investment banks / investment companies / securities companies										
Dawood Hercules Corporation Limited	14.50%	200	-	-	200	15,941	15,958	17	7.43	59.05
Oil and gas										
BYCO Petroleum Pakistan Limited	14.56%	150	-	-	150	11,113	11,067	(46)	5.15	40.95
						27,054	**27,025**	**(29)**		
Sukook certificates - Unlisted										
Power generation and distribution										
Hubco Power Company Limited	13.92%	3000	-	3000	-	-	-	-		
						-	-	-		
Total debt securities as at December 31, 2019						**27,054**	**27,025**	**(29)**		
Total debt securities as at June 30, 2019						46,766	46,554	(212)		

5.2 Significant terms and conditions of sukuk certificates are as follows:

Name of security	Face value per certificate	Redeemed Face value per certificate	Mark-up rate (per annum)	Maturity	Secured / Unsecured	Rating
	------------------ Rupees	------------------				
Dawood Hercules Corporation Limit	100,000	80,000	3 months KIBOR + 1.00%	November 16, 2022	Secured	AA
BYCO Petroleum Pakistan Limited	100,000	75,000	3 months KIBOR + 1.05%	January 18, 2022	Secured	AAA

		Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
			-------- (Rupees in '000) --------	
5.3	**Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'**			
	Market value of investments	5.1	**27,025**	46,554
	Carrying amount of investments	5.1	**(27,054)**	(46,766)
			(29)	(212)

		Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
6.	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**			
	Security deposits with Central Depository Company of Pakistan Limited		**100**	100
	Prepaid Shairah Advisor fee		**22**	105
	Prepaid PSX Annual listing fee		**14**	-
	Advance tax	6.1	**54**	54
			190	259

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on profit on debt has been shown as other receivables as at December 31, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
		-------- (Rupees in '000) --------	
7. PRELIMINARY EXPENSES AND FLOATATION COST			
Preliminary expenses and floatation cost		**1,044**	1,331
Amortised during the period	7.1	**(144)**	(287)
		900	1,044

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
		-------- (Rupees in '000) --------	
8. PAYABLE TO MANAGEMENT COMPANY			
Remuneration	8.1	**73**	-
Sales tax on management fees	8.2	**10**	-
Expenses allocated by the management company	8.3	**103**	19
Formation cost		**1,044**	1,331
Sales load payable		**14**	-
		1,244	1,350

8.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the amended SRO 639(I) 2019 NBFC Regulations dated June 20, 2019, within allowed expense ratio and applicable as per offering documents. The Management Company had decided to charge 0% management fees with effect from July 1, 2019 till September 30, 2019. Thereafter, the management fee will be applicable as per the offering document.

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

8.3 Up till June 19, 2019, in accordance with the provisions of the NBFC Regulations, 2008 (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the period, SECP, vide SRO no. 639 (I)/2019 dated June 20, 2019, has removed the maximum cap of 0.1%. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund from June 20, 2019.

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

	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
		-------- (Rupees in '000) --------	
9. PAYABLE TO THE TRUSTEE			
Trustee fee	9.1	**22**	22
Sindh Sales Tax and settlement charges	9.2	**3**	3
		25	25

9.1 The Trustee was entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on 0.12% of the daily net assets value of the Fund.

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

	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
		-------- (Rupees in '000) --------	
10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to SECP	10.1	**24**	124

10.1 'Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a Collective Investment Scheme categorised as a income scheme was required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075 percent of the average annual net assets of the scheme. However, as per S.R.O. 685(i) / 2019 dated June 28, 2019, effective from July 01, 2019, all categories of Collective Investment Schemes are now required to pay annual fee at an amount equal to 0.02 percent of the average annual net assets of the scheme. The fee is payable annually in arrears.

	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
11. ACCRUED EXPENSES AND OTHER LIABLITIES		-------- (Rupees in '000) --------	
Auditor's remuneration		**89**	118
Printing charges payable		**168**	100
Provision for Sindh Workers' Welfare Fund	11.1	**624**	333
Witholding tax payable		**141**	833
Others		**104**	24
		1,126	1,408

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.5 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial information of the Fund for the period from July 01, 2019 to Dec 31, 2019, the net asset value of the Fund as at Dec 31, 2019 would have been higher by Re. 0.1546 per unit (June 30, 2019: Re.0.074 per unit).

12. CONTINGENCIES AND COMMITMENTS

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the maximum limit is to be capped at 2.5% at daily average net assets of Fund, prescribed under NBFC Regulations of collective investment scheme categorised as Sharia Compliant Islamic Income Scheme.The total expense ratio of the Fund for the half year ended December 31, 2019 is 0.62%, which includes 0.16% representing Government levyies, Provision for SWWF and SECP fee.

14. TAXATION

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

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

	(Unaudited) For the half year ended December 31,	
15.1 Transactions during the period	**2019**	2018
	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**246**	-
Sales Tax Provincial on Management Remuneration	**32**	-
Expenses allocated by the Management Company	**121**	66
Issue of units Nil (2018: 4,814)	**-**	245
Redemption of units 56 (2018: 4,814)	**3**	247
MCB Financial Services Limited - Trustee		
Trustee remuneration	**145**	80
Sindh Sales Tax on trustee remuneration	**19**	11
Chief Financial Officer of the Management Company		
Issue of Nil capital refund units (2018: 44)	**-**	2
Dividend paid	**-**	3
Company Secretary and Chief Operating Officer of the Management Company		
Issue of Nil units (2018: 660 units)	**-**	34
Redemption of Nil units (2018: 645 units)	**-**	33
Issue of Nil capital refund units (2018: 229 units)	**-**	11
Dividend paid	**-**	1
Fund Manager of AKDITF and AKDISSF		
Issue of Nil units (2018: 8)	**-**	-
Issue of Nil capital refund units (2018: 9)	**-**	1
Redemption of Nil units (2018: 1,133)	**-**	58
TPL Insurance Limited - Connected person due to holding of more than 10% units		
Issue of Nil units (2018: 6,656)	**-**	333
Dividend paid	**-**	392
Chief Executive Officer of the Management Company		
Issue of units 4,539 (2018: 16,293)	**240**	820
Redemption of Nil units (2018: 16,293)	**-**	825
Spouse of the Chief Executive Officer of the Management Company		
Issue of units 495,787 (2018: 85,876 units)	**25,963**	4,330
Redemption of units 626,311 (2018: 85,876)	**32,748**	4,341
Hina Aqeel - Close relative of the Sponsor of the Management Company		
Issue of Nil units (2018: 38,089)	**-**	1,917
Redemption of Nil units (2018: 38,089)	**-**	1,942
Afsheen Aqeel Dhedhi- Close relative of the Sponsor of the Management Company		
Issue of Nil units (2018: 19,045)	**-**	959
Redemption of Nil units (2018: 19,045)	**-**	971

	(Unaudited) For the half year ended December 31, 2019	2018
	-------- (Rupees in '000) --------	
Muhammad Farid Alam - Key Management Personnel of Associated Company		
Issue of Nil units (2018: 72)	-	4
Attock Cement Pakistan Ltd.Employees Provident Fund Connected person due to holding of more than 10% units		
Issue of Nil units (2018: 5,969)	-	298
Dividend paid	-	298
Askari General Insurance Co. Ltd. - Connected person due to holding of more than 10% units		
Issue of Nil units (2018: 483,216)	-	25,000
Muhammad Irfan Connected person due to holding of more than 10% units		
Issue of 332,205 units (2018: Nil)	**17,000**	-

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
15.2 Balances outstanding at the period / year end	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Management Company		
Payable against expenses allocated by the Management Company	**103**	19
Payable against formation cost	**1,044**	1,331
Remuneration payable	**73**	
Sales Tax Provincial on Management Remuneration	**10**	-
Sales load payable	**14**	-
AKD Investment Management Limited - Staff Provident Fund		
Issue of units 57,507 (2018: Nil)	**3,043**	-
Redemption of units 9,432 (2018: Nil)	**500**	-
MCB Financial Services Limited - Trustee		
Remuneration payable	**22**	22
Sindh Sales Tax on trustee remuneration payable	**3**	3
AKD Investment Management Limited - Staff Provident Fund		
Outstanding 48,075 units (June 2019: Nil units)	**2,558**	-
Chief Executive Officer of the Management Company		
Outstanding 4,561 units (June 2019: 22 units)	**243**	1
Spouse of the Chief Executive Officer of the Management Company		
Outstanding 85,928 units (June 2019: 216,453 units)	**4,573**	10,856
Chief Financial Officer of the Management Company		
Outstanding 6,809 units (June 2019: 6,809 units)	**362**	342
Company Secretary and Chief Operating Officer of the Management Company		
Outstanding 17,156 units (June 2019: 17,156 units)	**913**	860
Muhammad Farid Alam - Key Management Personnel of Associated Company		
Outstanding 28,072 units (June 2019: 28,072 units)	**1,494**	1,408

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	-------- (Rupees in '000) --------	
Afsheen Aqeel Dhedhi - Close relative of the Sponsor of the Management Company		
Outstanding 25 units (June 2019: 25 units)	**1**	1
TPL Insurance Limited* - Connected person due to holding of more than 10% units		
Outstanding Nil units (June 2019: 543,070 units)	**-**	27,237
Askari General Insurance Co. Ltd. - Connected person due to holding of more than 10% units		
Outstanding 519,087 units (June 2019: 519,087 units)	**27,623**	26,034
Attock Cement Pakistan Ltd. Employees Provident Fund - Connected party due to more than 10% holding**		
Outstanding 419,647 units (June 2019: Nil units)	**22,331**	-
Silk Bank Employee Provident Fund - Connected person due to holding of more than 10% units*		
Outstanding 900,731 units (June 2019: 900,731 units)	**47,932**	45,175
Muhammad Irfan - Connected person due to holding of more than 10% units***		
Outstanding 429,718 units (June 2019: Nil units)	**22,867**	-

* Prior period connected party, current figures not shown
** current period connected party, prior period figures not shown

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

	December 31, 2019 (Un-audited)						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
Financial assets measured at fair value							
Investments	27,025	-	27,025	-	27,025	-	27,025
Financial assets not measured at fair value							
Bank balances	-	186,370	186,370				
Profit receivable	-	2,713	2,713				
Deposits and other receivables	-	100	100				
		189,183	189,183				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	1,044	1,044				
Payable to the Trustee	-	25	25				
Accrued expenses and other liabilities	-	361	361				
		1,430	1,430				

	June 30, 2019 (Audited)						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
Financial assets measured at fair value							
Investments	46,554	-	46,554	-	46,554	-	46,554
Financial assets not measured at fair value							
Bank balances	-	178,015	178,015				
Profit receivable on bank deposits and sukuk certificates	-	2,623	2,623				
Deposits and other receivables		100	100				
	-	180,738	180,738				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	1,350	1,350				
Payable to Trustee	-	25	25				
Accrued expenses and other liabilities	-	242	242				
	-	1,617	1,617				

17. GENERAL

17.1 Figures have been rounded off to the nearest thousand Rupees.

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

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

18. DATE OF AUTHORISATION FOR ISSUE

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

AKD Investment
Management Ltd.

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