Funds Managed by:

AKD Investment Management Ltd.

Quarterly Report
March 31, 2020
(Un-audited)

quarterly report

AKD
ISLAMIC STOCK FUND

Partner with AKD
Profit from the Experience

AKD Investment Management Ltd.

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MANAGMENT COMPANY

216-217, Continental Trade Centre, Block-8,
Clifton, Karachi-74000

BOARD OF DIRECTORS OF THE MANAGMENT 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

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 Limited
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*

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

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 Stock Fund
PACRA: 1 Year Category:
MFR 2-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), AKD Islamic Stock Fund (AKDISSF), and Golden Arrow Stock Fund (GASF) - (Formerly: Golden Arrow Selected Stocks Fund Limited) is pleased to present its nine months report along with the Funds' reviewed financial statements for the period ended March 31, 2020.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 9MFY20, the return of AKD Opportunity Fund stood at -18.07% compared to the benchmark KSE-100 Index return of -13.78%.

AKD Index Tracker Fund (AKDITF)

For the 9MFY20, the return of AKD Index Tracker Fund stood at -14.65% compared to the benchmark KSE-100 Index return of -13.78%.

AKD Cash Fund (AKDCF)

For the 9MFY20, the annualized return of AKD Cash Fund stood at 12.80% compared to benchmark return of 12.62%.

AKD Aggressive Income Fund (AKDAIF)

For the 9MFY20, the annualized return of AKD Aggressive Income Fund stood at 14.14% compared to benchmark return of 13.58%.

AKD Islamic Income Fund (AKDISIF)

For the 9MFY20, the annualized return of AKD Islamic Income Fund stood at 12.42% compared to benchmark return of 6.33%.

AKD Islamic Stock Fund (AKDISSF)

For the 9MFY20, the return of AKD Islamic Stock Fund stood at -19.70% compared to the benchmark KMI-30 Index return of -16.75%.

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

For the 9MFY20, the return of Golden Arrow Stock Fund (Formerly: Golden Arrow Selected Stocks Fund Limited) stood at -21.41% compared to the benchmark KSE-100 Index return of -13.78%.

MACRO PERSPECTIVE:

The Current Account Deficit (CAD) for 9MFY20 stood at $2.768 billion (1.3% of GDP) as compared to $10.284 billion(4.7% of GDP) in the same period last year (SPLY), exhibiting a significant decline of 73.08% YoY. The considerable improved performance was on the back of a decline in import of goods and services by 16.35% YoY to $39.624 billion from $47.366 billion while exports of goods illustrated a modest increase of 1.14% YoY to $18.256 billion during the 9MFY20. In addition, overseas Pakistanis also supported the CAD by remitting $16.991 billion as compared to $16.032 billion SPLY, up by 5.98%.

On the fiscal front, the Federal Board of Revenue (FBR) managed to collect PKR 3.050 trillion during the 9MFY20. The FBR missed tax revenue targets by a whopping PKR 470 billion during 9MFY20 against the revised target of 3.520tr. During the month of March, FBR collection fell by 12%YoY to 325 billion due to stalled economic activity amid lockdown precautions to arrest the spread of COVID-19 virus in the country. The Economic slowdown due to the Pandemic has further damped the prospects of the FBR to achieve its targets or any other relevant economic target for that matter. As per reports FBR expects to collect PKR 4.70 trillion by year end against its revised target of PKR 5.238 trillion.

As per the Pakistan Bureau of Statistics (PBS), National Consumer Price Index (NCPI) for the month of March 2020 stood at 10.24% YoY which denotes the average inflation for 9MFY20 to 11.53% as compared to 6.31% SPLY. This significant increase in monthly inflation was primarily led by an increase in prices of Food and non- alcoholic beverages (weight 34.58%) by 14.69% YoY. Average Core Inflation (Non Food Non Energy) for Urban and Rural clocked in at 7.4% and 9.4% respectively in March 2020. In order to cushion the growth hampered by slowdown in economic activities, the State Bank of Pakistan (SBP) slashed the Target Policy Rate by 225 bps to 11 percent. Moreover the gap between Reverse repo rate and Target Policy rate has widened by 50bps to 100bps.

The Large Scale Manufacturing (LSM) witnessed a decline of 3.37% cumulatively for the 7MFY20 (July-January). Major decline was witnessed in sectors such as Automobiles (-36.07%), Coke & petroleum products (-10.59%), Pharmaceuticals (-5.77%), Iron & Steel products (-9.25%), and Electronics (-8.50%) during the period. On the other hand, there were some LSM related sectors that exhibited major positive growth which were Leather Products (11.15%), Fertilizers (4.53%), Paper & Board (6.77%), and Wood Products (25.07%).

During the 9MFY20, Pakistan was able to attract $2.148 billion in Foreign Direct Investment (FDI) as compared to $0.905 billion in the SPLY, exhibiting an increase of 137.34% YoY. Portfolio Investment in Pakistan's debt securities for 9MFY20 stood at $331 million, which has shown an unprecedented increase due to attractive risk free yields offered during the period. During 3QFY20, the Pak rupee devalued against the US dollar by 6.84% to PKR 166.25 at the end of March against PKR 154.88 at the start of the year which was prompted by Net outflow from SCRA account. During March 2020, Pakistan witnessed a cumulative net outflow of $1.872 billion from SCRA account as foreign investors squared their positions mainly from short term government securities it would seem on the back of expectations of a devaluation of the local currency following prospects of monetary easing.

The total liquid foreign exchange reserves of Pakistan stood at $17.388 billion ($6.202 billion net reserves with banks and $11.186 billion net reserves with State Bank of Pakistan) as compared to $17.417 billion SPLY. As per news reports the IMF in its support during the global pandemic has decided to provide one-year relief to support the country in its fight against spreading of the virus. The IMF Executive board has also approved the disbursement of $1.386 billion to address COVID-19 Pandemic under a rapid financing instrument besides the facility already undertaken by Pakistan, which is expected to address fiscal/budget emergencies in the immediate term and shall not be subject to a comprehensive country wise reform program that undergoes reviews.

EQUITY REVIEW:

As expected the equity markets witnessed an extreme volatile period where the index after a prolonged bearish spell preceding the last two years reversed its negative trend during 1HFY20 after bottoming out at its five year low of 28,765pts during August 2019. The KSE-100 index provided 20.2% return during 1HFY20 where the index touched its 6 months high of 43,468 in mid of Jan 2020 on compelling valuations and much improved prospects of an economic recovery, supported by unprecedented interest by foreigners in the government securities debt market. However, the KSE-100 index succumbed to selling pressure as volatility over stalled economic activity and hefty dollar outflows, as foreign institutions exited both the equity and debt markets. The stock market ended on a depressed note with the index sliding down by 28.24% during 3QFY20 eroding all the gains of 1HFY20 and taking the cumulative 9MFY20 loss to 13.78%.

Encouraging participation was witnessed during the period with average daily traded volumes rising 19.66%YoY for 9MFY20 to 194.1 million shares as compared to 162.2 million witnessed during 9MFY19. Investors flocked to main board or index heavyweights companies where the share of KSE-100 volumes in overall market volumes averaged to 69.5% during 9MFY20 as compared to 59.5% witnessed during SPLY. Higher participation in the main board stocks would suggest improved investor confidence and overall optimism of the economy, which was primarily led by the positive sentiments from Aug-Jan 2020. However, during 3QFY20 average daily turnover decreased by 20.27% QoQ to 211 million shares as investors remained sidelined due to uncertainty over revival of economic activity following wide country lockdowns to contain the virus after the first case was reported in late February.

Significant sectors hampering the index down during 9MFY20 included: 1) Commercial Banks (-21.67%), 2) Oil and Gas Exploration Companies (-35.87%), 3) Power Generation and Distribution (-18.53%), 4) Oil Marketing Companies (-24.93%) and 5) Tobacco (-37.97%). Commercial Banks and Exploration sectors remained in limelight due to monetary easing and declining international Oil Prices (Brent: $22.74/bbl., FYTD: -65.1%). Moreover, some of the losses were compensated due to positive contribution from Cement (+8.50%), Pharmaceuticals (6.12%) and Leather and Tanneries (62.87%).

Foreign Portfolio Investors were net seller during the period with cumulative outflow of US$130.2mn during 9MFY20, as compared to an outflow of $138.2mn in 3QFY20. Amongst domestic investor flows, individuals were net buyers (US$144.4mn) aided by Insurance Companies (US$94.0mn) and other Organizations (US$25.1mn). This outflow was led by Mutual Funds (US$85.10mn), Banks/DFI (US$48.0mn) and Broker Proprietary Trading (US$8.6mn).

Going forward we expect a reversal in the trend in index as significant correction of the market has opened up valuations where KSE-100 is currently trading at a forward P/E multiple of 5.4x compared to Asia Pacific regional average of 10.3x. SBP in its last Monetary Policy has further slashed interest rates by 2% to 9%, taking the cumulative monetary easing to 4.25%. Much awaited monetary easing will provide impetus to the index, along with the upcoming result announcements for the quarter ending March which will further drive direction of the index. However, recent announcement of relaxation in debt payment and disbursement of S1.4 billion cannot be overlooked. Furthermore, the recently bailout package for the construction industry with an underlying "amnesty" scheme of sorts will eventually lead to positive economic activity, while in the meantime investors will remain focused for now on the spread of the virus and eventual opening of the country for business, as we believe this is an opportune time to accumulate stocks.

MONEY MARKET REVIEW:

During 9MFY20, twenty (20) T-Bill auctions were carried out by the SBP, where the Government successfully managed to raise PKR 12.44 trillion. Weighted average yield on the 3-month, 6-month, and 12-month period were 13.33%, 13.33%, and 13.20% respectively, as compared to 9.10%, and 9.41% respectively for same period last year. There was no participation recorded in the 12 month paper during 9MFY19. It is pertinent to note however that the 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 the short tenure papers as well.

To further address demand for liquidity, the SBP conducted nine (9) auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR 1,671.14 billion during 9MFY20 with weighted average maturity yield on 3-year, 5-year, and 10-year of 12.56%, 12.12%, and 11.98%, as compared to 9.07%, 10.29%, and 10.18% respectively, during the same period last year. It is pertinent to note that bids were received and accepted in 20-year tenure PIB with the weighted average yield of 11.80%, after a gap of more than 5 years. In the recent auction result held in mid of April, it was encouraging to note that the weighted average maturity yields for 5 year/ 10 years had fallen by 222.65bps/177.94bps to 8.7085%/ 8.9725% respectively.

The Monetary Policy Committee (MPC) announced six (6) Monitory Policy Statements (MPS) in 9MFY20 where the committee cut the interest rate cumulatively by 225bps to 11.00%. In its recent emergency MPS held on March 25th 2020, the MPC decided to cut the policy rate further by 150bps amid the Covid-19 pandemic with an aim to cushion the slowdown in growth rate while maintaining its inflation outlook. The SBP conducted 93 Open Market Operations (OMO) in 9MFY20 of different maturities, in which it injected an average amount of PKR561.20 billion per OMO at an average cut-off yield of 13.19%, and mopped up an average amount of PKR214.01 billion per OMO at an average cut-off yield of 12.49%.

As per the auction calendar of the SBP, it will raise PKR330 billion by issuing 3 year to 20 year tenor Pakistan Investment Bonds (PIBs) and PKR2.30 trillion by issuing 3 months to 12-months tenor T-Bills to pay back the maturing debt of PKR1.98 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:

Following the expectations of a contraction in the economy by various international organizations, the IMF estimates Pakistan`s GDP to contract by 1.5% during FY20, a first in the country's history since its independence in 1947. The State Bank of Pakistan took an unorthodox step of curtailing the policy rate further by 200bps to 9% p.a. in its latest monetary policy in an attempt to support the ailing economy. The emergency rate cute came on back of improved inflation outlook following a plunge in commodity prices. Market positively reacted to the step taken by SBP and surged by 2,170 (6.93%) subsequent two days as the rate cute will provide much needed cushion primarily by reducing borrowing cost and debt service burden on individuals and firms, as well as maintain financial stability.

Like stock markets globally, commodities have been no exception and volatility in the international crude oil prices led by deteriorating fundamentals has pushed prices to historical lows and is expected to drive the local benchmark index as Oil and Gas exploration sector which represents 11.8% of the index weight with earnings linked to global crude prices. Monetary easing by the central bank is also expected to result in a decline in Net interest Income of the Banking sector (Index Weight: 25.4%). While on the one hand valuations remain compelling, investor sentiment will remain mixed to negative in the short term as index heavy weights absorb the new norm following the pandemic. With the upcoming result season, near term market performance will largely be guided by earning reads and how well the market perceives that companies have performed during these testing times. The KSE-100 index currently trades at a forward Price-to-earnings (P/E) and Dividend Yield (DY) of 5.4x and 9.5% respectively as compared to Regional Markets P/E and DY of 10.3x and 3.3% respectively.

Reportedly, Pakistan has asked world lenders to provide debt relief to developing countries so that countries should focus on combating COVID-19 devastation efficiently where economic costs of containment remain substantial. Pakistan has paid $7bn in first half of the Fiscal Year, whereas it is scheduled to pay another $11.8bn, $6.2bn, $7.8bn and $5.8bn during FY20-FY23 respectively. Pakistan is planning to renegotiate payment of some of it external debt which will help the country maintain its reserve positions and arrest volatility in the local currency. Recently the IMF announced the disbursement of $1.4 billion to support Pakistan's efforts in containing the economic cost resulting from the virus, plus providing relaxation for repayment of loans for the upcoming year are significant positives, the impact of which will be much more visible as the country returns to normality. More importantly, the said incentives will support foreign exchange reserves and Current Account Deficit, while a stable Pak rupee will boost investor confidence and provide impetus to economic activity and in turn the stock market. On the Fixed Income side, In the recent auction result held in mid of April, weighted average maturity yields for 5 year/ 10 years had fallen by 222.65bps/177.94bps to 8.7085%/ 8.9725% respectively. This rapid decrease in short term and long term yields of Government bonds suggests a market consensus of a foreseeable decline in interest rates by the central bank. Recently Government of Pakistan has announced various fiscal measures to boost the economic activity. The incentive offered include: PKR 200bn for labor unemployed due to Pandemic COVID, PKR 100bn tax refunds for Export Industry, Ehsas Program for Low income families, PKR 100bn and deferral of interest payment for SME, PKR 280 billion for procurement of Wheat, and deferent exemptions for construction sector. The said incentive may rejuvenate halted economic activity in the current crisis situation. Investor is closely watching the increase in cases of COVID-19 and resumptions of economic activity before making any investment decision.

For and on behalf of the board

Imran Motiwala	**Abdul Karim Memon**
Chief Executive Officer	Chairman

Karachi: April 29, 2020

FUND MANAGER'S REPORT

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

Open - end Islamic Equity Scheme

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

AKD Islamic Stock Fund (AKDISSF) is designed to earn competitive returns by investing in the stock market. The objective of AKD Islamic Stock Fund is to invest in the capital Markets through an optimal combination of strategies in Shariah compliant equities providing growth and dividends.

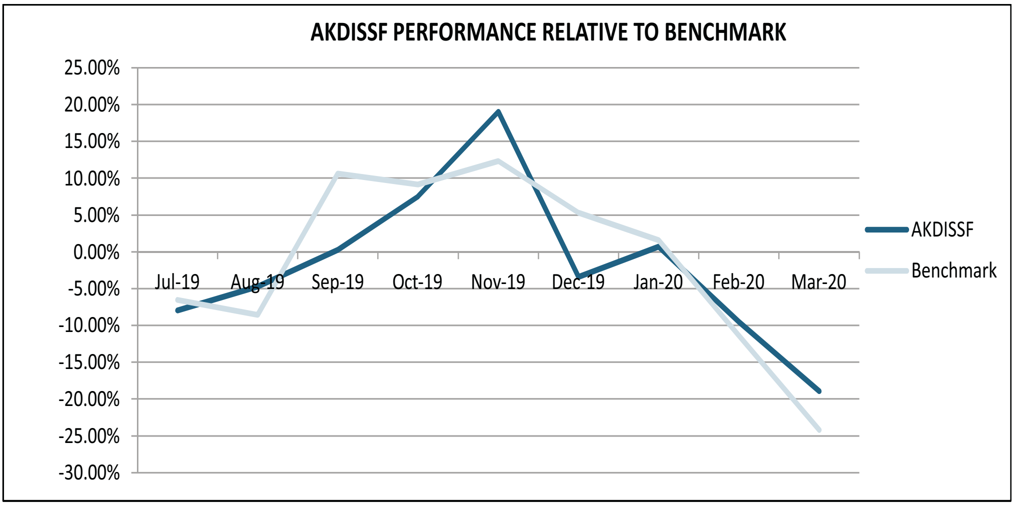
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 9MFY20, the return of AKD Islamic Stock Fund stood at -19.70% compared to the benchmark KMI-30 Index return of -16.75%.

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

KMI-30 index

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



Monthly return	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
AKDISSF	-7.99%	-4.71%	0.24%	7.49%	19.02%	-3.39%	0.72%	-9.49%	-18.91%
Benchmark	-6.56%	-8.59%	10.65%	9.17%	12.31%	5.29%	1.58%	-11.39%	-24.20%

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

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

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

Asset Allocation (% of Total Asset)	31-Mar-20	31-Dec-19
Cash	88.77%	95.70%
Other Assets	8.67%	1.91%
	2.56%	2.39%

viii) Non-Compliant Investment

Name of Non Compliant Investment	Type of Investment	Value of Invesment before Provision	Provision held if any	Value of Investment after Provision	Percentage of Net Assets	Percentage of Gross Assets
			---------------------Rupees in '000--------------------			
Javedan Corporation Limited	Equity	24,789	Nil	24,789	20.38%	18.70%
Al-Shaheer Corporation Limited	Equity	20,459	Nil	20,459	16.82%	15.43%

ix) Analysis of the Collective Investment Scheme's performance

9MFY20 Return	-19.70%
Benchmark Return	-16.75%

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

Net Asset Value			NAV Per Unit	
31-Mar-20	31-Dec-19	Change in Net Assets	31-Mar-20	31-Dec-19
(Rupees In "000")			Rs.	Rs.
121,635	152,230	-20.10%	27.95	37.80

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

MACRO PERSPECTIVE:

The Current Account Deficit (CAD) for 9MFY20 stood at $2.768 billion (1.3% of GDP) as compared to $10.284 billion(4.7% of GDP) in the same period last year (SPLY), exhibiting a significant decline of 73.08% YoY. The considerable improved performance was on the back of a decline in import of goods and services by 16.35% YoY to $39.624 billion from $47.366 billion while exports of goods illustrated a modest increase of 1.14% YoY to $18.256 billion during the 9MFY20. In addition, overseas Pakistanis also supported the CAD by remitting $16.991 billion as compared to $16.032 billion SPLY, up by 5.98%.

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Significant sectors hampering the index down during 9MFY20 included: 1) Commercial Banks (-21.67%), 2) Oil and Gas Exploration Companies (-35.87%), 3) Power Generation and Distribution (-18.53%), 4) Oil Marketing Companies (-24.93%) and 5) Tobacco (-37.97%). Commercial Banks and Exploration sectors remained in limelight due to monetary easing and declining international Oil Prices (Brent: $22.74/bbl., FYTD: -65.1%). Moreover, some of the losses were compensated due to positive contribution from Cement (+8.50%), Pharmaceuticals (6.12%) and Leather and Tanneries (62.87%).

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Going forward we expect a reversal in the trend in index as significant correction of the market has opened up valuations where KSE-100 is currently trading at a forward P/E multiple of 5.4x compared to Asia Pacific regional average of 10.3x. SBP in its last Monetary Policy has further slashed interest rates by 2% to 9%, taking the cumulative monetary easing to 4.25%. Much awaited monetary easing will provide impetus to the index, along with the upcoming result announcements for the quarter ending March which will further drive direction of the index. However, recent announcement of relaxation in debt payment and disbursement of S1.4 billion cannot be overlooked. Furthermore, the recently bailout package for the construction industry with an underlying "amnesty" scheme of sorts will eventually lead to positive economic activity, while in the meantime investors will remain focused for now on the spread of the virus and eventual opening of the country for business, as we believe this is an opportune time to accumulate stocks.

FUTURE OUTLOOK:

Following the expectations of a contraction in the economy by various international organizations, the IMF estimates Pakistan`s GDP to contract by 1.5% during FY20, a first in the country's history since its independence in 1947. The State Bank of Pakistan took an unorthodox step of curtailing the policy rate further by 200bps to 9% p.a. in its latest monetary policy in an attempt to support the ailing economy. The emergency rate cute came on back of improved inflation outlook following a plunge in commodity prices. Market positively reacted to the step taken by SBP and surged by 2,170 (6.93%) subsequent two days as the rate cute will provide much needed cushion primarily by reducing borrowing cost and debt service burden on individuals and firms, as well as maintain financial stability.

Like stock markets globally, commodities have been no exception and volatility in the international crude oil prices led by deteriorating fundamentals has pushed prices to historical lows and is expected to drive the local benchmark index as Oil and Gas exploration sector which represents 11.8% of the index weight with earnings linked to global crude prices. Monetary easing by the central bank is also expected to result in a decline in Net interest Income of the Banking sector (Index Weight: 25.4%). While on the one hand valuations remain compelling, investor sentiment will remain mixed to negative in the short term as index heavy weights absorb the new norm following the pandemic. With the upcoming result season, near term market performance will largely be guided by earning reads and how well the market perceives that companies have performed during these testing times. The KSE-100 index currently trades at a forward Price-to-earnings (P/E) and Dividend Yield (DY) of 5.4x and 9.5% respectively as compared to Regional Markets P/E and DY of 10.3x and 3.3% respectively.

Reportedly, Pakistan has asked world lenders to provide debt relief to developing countries so that countries should focus on combating COVID-19 devastation efficiently where economic costs of containment remain substantial. Pakistan has paid $7bn in first half of the Fiscal Year, whereas it is scheduled to pay another $11.8bn, $6.2bn, $7.8bn and $5.8bn during FY20-FY23 respectively. Pakistan is planning to renegotiate payment of some of it external debt which will help the country maintain its reserve positions and arrest volatility in the local currency. Recently the IMF announced the disbursement of $1.4 billion to support Pakistan's efforts in containing the economic cost resulting from the virus, plus providing relaxation for repayment of loans for the upcoming year are significant positives, the impact of which will be much more visible as the country returns to normality. More importantly, the said incentives will support foreign exchange reserves and Current Account Deficit, while a stable Pak rupee will boost investor confidence and provide impetus to economic activity and in turn the stock market.

On the Fixed Income side, In the recent auction result held in mid of April, weighted average maturity yields for 5 year/ 10 years had fallen by 222.65bps/177.94bps to 8.7085%/ 8.9725% respectively. This rapid decrease in short term and long term yields of Government bonds suggests a market consensus of a foreseeable decline in interest rates by the central bank.

Recently Government of Pakistan has announced various fiscal measures to boost the economic activity. The incentive offered include: PKR 200bn for labor unemployed due to Pandemic COVID, PKR 100bn tax refunds for Export Industry, Ehsas Program for Low income families, PKR 100bn and deferral of interest payment for SME, PKR 280 billion for procurement of Wheat, and deferent exemptions for construction sector. The said incentive may rejuvenate halted economic activity in the current crisis situation. Investor is closely watching the increase in cases of COVID-19 and resumptions of economic activity before making any investment decision.

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	232
10,000 - 49,999	41
50,000 - 99,999	4
100,000 - 499,999	7
500,000 and above	1
	285

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 MARCH 31, 2020

	Note	(Un-audited) March 31, 2020	(Audited) June 30, 2019
		------- (Rupees in '000) -------	
Assets			
Bank balances	4	**11,496**	2,712
Investments	5	**117,701**	133,875
Dividend and profit receivable on bank deposits	6	**55**	41
Deposits and prepayments	7	**2,751**	2,705
Preliminary expenses and floatation cost	8	**592**	746
Receivable against sale of securities		-	2,328
Total assets		**132,595**	142,407
Liabilities			
Payable to the Management Company	9	**1,086**	1,229
Payable to the Trustee	10	**14**	16
Payable to Securities and Exchange Commission of Pakistan	11	**20**	179
Accrued expenses and other liabilities	12	**1,192**	738
Payable against purchase of investments		**8,648**	4,643
Total liabilities		**10,960**	6,805
Net assets		**121,635**	135,602
Unit holders' fund (as per statement attached)		**121,635**	135,602
Contingencies and commitments	13		
		Number of units	
Number of units in issue		**4,352,663**	3,896,474
		------- **Rupees**-------	
Net assets value per unit		**27.9450**	34.8012

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

For AKD Investment Management Limited
(Management Company)

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

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

	Note	For the nine months ended March 31, 2020	For the nine months ended March 31, 2019	For the quarter ended March 31, 2020	For the quarter ended March 31, 2019
		------('Rupees in '000) ------			
Income					
Capital gain / (loss) on sale of investments 'at fair value through profit or loss'		**5,801**	4,180	**1,579**	(973)
Net unrealised appreciation / (diminution) on remeasurement of investments 'at fair value through profit or	5.2	**(29,672)**	(33,923)	**(38,125)**	(1,027)
Dividend income		**1,761**	6,362	**41**	851
Profit on bank deposits		**241**	674	**66**	72
Total income / (loss)		**(21,869)**	(22,707)	**(36,439)**	(1,077)
Expenses					
Remuneration of the Management Company	9.1	**2,013**	3,059	**692**	886
Sales tax on the remuneration of the Management Company	9.2	**262**	398	**90**	116
Expenses allocated by the Management Company	9.3	**101**	153	**35**	44
Remuneration of the Trustee	10.1	**121**	184	**42**	54
Sales tax on the remuneration of Trustee	10.2	**16**	24	**5**	7
Annual fee to the Securities and Exchange Commission of Pak	11.1	**20**	145	**7**	42
Securities transaction costs		**192**	415	**60**	58
Auditors' remuneration		**134**	106	**44**	44
Settlement and bank charges		**56**	47	**47**	16
Amortisation of preliminary expenses and floatation costs		**154**	154	**51**	51
Fee and subscription		**386**	462	**121**	145
Printing and stationary		**113**	88	**38**	40
Legal and professional charges		**301**	219	**136**	125
Charity		**79**	413	**8**	32
Sindh Workers' Welfare Fund		**-**	-	**(240)**	-
Total expenses		**3,948**	5,867	**1,136**	1,660
Net income / (loss) for the year before taxation		**(25,817)**	(28,574)	**(37,575)**	(2,737)
Taxation	15	**-**	-	**-**	
Net income / (loss) for the period after taxation		**(25,817)**	(28,574)	**(37,575)**	(2,737)
Allocation of net income for the period					
Net Income for the period after taxation		**-**	-	**-**	-
Income already paid on units redeemed		**-**	-	**-**	-
		-	-	**-**	-
Accounting income available for distribution:					
Relating to capital gain		**-**	-	**-**	-
Excluding capital gains		**-**	-	**-**	-
		-	-	**-**	-

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

For AKD Investment Management Limited
(Management Company)

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

	For the nine months ended March 31,		For the quarter ended March 31,	
	2020	2019	**2020**	2019
	('Rupees in '000)			
Net income / (loss) for the period after taxation	**(25,817)**	(28,574)	**(37,575)**	(2,737)
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income / (loss) for the period	**(25,817)**	(28,574)	**(37,575)**	(2,737)

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

For AKD Investment Management Limited
(Management Company)

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

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	For the nine months ended March 31 2020			For the nine months ended March 31 2019		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	Rupees in '000			Rupees in '000		
Net assets at beginning of the period	**202,501**	**(66,899)**	**135,602**	232,689	(16,998)	215,691
Issuance of 969,676 (2019: 664,047) units						
- Capital value (at net asset value per unit at the beginning of period)	**33,746**	**-**	**33,746**	31,209	-	31,209
- Element of income	**(4,244)**	**-**	**(4,244)**	(1,285)	-	(1,285)
Total proceeds on issuance of units	**29,502**	**-**	**29,502**	29,924	-	29,924
Redemption of 513,487 (2019: 1,455,681) units						
- Capital value (at net asset value per unit at the beginning of period)	**17,870**	**-**	**17,870**	68,413	-	68,413
- Amount paid out of element of income relating to net income for the year after taxation	**-**	**-**	**-**	-	-	-
- Element of income	**(218)**	**-**	**(218)**	(4,738)	-	(4,738)
Total payments on redemption of units	**17,652**	**-**	**17,652**	63,675	-	63,675
Total comprehensive income / (loss) for the period	**-**	**(25,817)**	**(25,817)**	-	(28,574)	(28,574)
Net assets at end of the period	**214,351**	**(92,716)**	**121,635**	198,938	(45,572)	153,366
Accumulated loss brought forward						
- Realised	**-**	**(12,337)**	**(12,337)**	-	(1,315)	(1,315)
- Unrealised	**-**	**(54,562)**	**(54,562)**	-	(15,683)	(15,683)
	-	**(66,899)**	**(66,899)**	-	(16,998)	(16,998)
Accounting income available for distribution						
- Relating to capital gains	-	**-**	**-**	-	-	-
- Excluding capital gains	-	**-**	**-**	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
Accounting loss for the period	**-**	**(25,817)**	**(25,817)**	-	(28,574)	(28,574)
Accumulated loss carried forward	**-**	**(92,716)**	**(92,716)**	-	(45,572)	(45,572)
Accumulated loss carried forward						
- Realised loss	**-**	**(63,044)**	**(63,044)**	-	(11,649)	(11,649)
- Unrealised income	**-**	**(29,672)**	**(29,672)**	-	(33,923)	(33,923)
	-	**(92,716)**	**(92,716)**	-	(45,572)	(45,572)
Net assets value per unit at beginning of the period			**34.8012**			46.9975
Net assets value per unit at end of the period			**27.9450**			40.3831

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

For AKD Investment Management Limited
(Management Company)

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

	Note	For the nine months ended March 31, 2020	For the nine months ended March 31, 2019	For the quarter ended March 31, 2020	For the quarter ended March 31, 2019
		('Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss) for the period before taxation		**(25,817)**	(28,574)	**(37,575)**	(2,737)
Adjustments					
Amortisation of preliminary expenses and floatation costs		**154**	154	**51**	51
Capital gain on sale of investments		**(5,801)**	(4,180)	**(1,579)**	973
Net unrealised (appreciation) / diminution on remeasurement of investments 'at fair value through profit and loss'		**29,672**	33,923	**38,125**	1,027
		(1,792)	1,323	**(978)**	(686)
(Increase) / decrease in assets					
Dividend and profit receivable on bank deposits		**(14)**	(820)	**371**	(503)
Deposits and prepayments		**(46)**	(76)	**(118)**	(89)
Receivable against sale of investment		**2,328**	-	**-**	-
		2,268	(896)	**253**	(592)
(Decrease) / increase in liabilities					
Payable to the Management Company		**(143)**	(469)	**(35)**	(172)
Payable to Securities and Exchange Commission of Pakistan		**(159)**	72	**7**	42
Payable to the Trustee		**(2)**	(7)	**(4)**	(6)
Payable against purchase of investment		**4,005**	-	**8,648**	(113)
Accrued expenses and other liabilities		**454**	186	**(28)**	(27)
		4,155	(218)	**8,588**	(276)
Investments - net		**(7,697)**	30,546	**(6,295)**	43,109
Net cash generated from / (used in) operating activities		**(3,066)**	30,755	**1,568**	41,555
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		**29,502**	29,924	**19,213**	3,023
Payment against redemption of units		**(17,652)**	(63,675)	**(12,234)**	(45,849)
Net cash generated from / (used in) financing activities		**11,850**	(33,751)	**6,979**	(42,826)
Net increase / (decrease) in cash and cash equivalents		**8,784**	(2,996)	**8,547**	(1,271)
Cash and cash equivalents at beginning of the period		**2,712**	3,822	**2,949**	2,097
Cash and cash equivalents at end of the period	4	**11,496**	826	**11,496**	826

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

For AKD Investment Management Limited
(Management Company)

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Islamic Stock 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. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e. February 19, 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) Equity Scheme in accordance with Circular 7 of 2009, issued by the Securities and Exchange Commission of Pakistan (SECP). Al-Hilal Shariah Advisors (Pvt.) Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

The principle activities of the Fund is to invest in the Shariah Compliant (Islamic) equity securities.

The Pakistan Credit Rating Company Limited (PACRA) has assigned asset manager rating of 'AM3++' to the Management Company dated February 8, 2020. PACRA has also assigned 1 star performance ranking in 1 year to the Fund dated February 28, 2020.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

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

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

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

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

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

		(Unaudited) March 31, 2020	(Audited) June 30, 2019
4. BANK BALANCES	**Note**	**-------- (Rupees in '000)**	**--------**
In savings accounts	4.1	**11,496**	2,712

4.1 Mark-up rates on these accounts range between 11.25% to 11.50% (June 30, 2019: 6.5% to 11%) per annum.

		(Unaudited) March 31, 2020	(Audited) June 30, 2019
5. INVESTMENTS	**Note**	**-------- (Rupees in '000)**	**--------**
At fair value through profit or loss			
- Listed equity securities	5.1	**117,701**	133,875

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

Name of the Investee Company	Face value per share	As at Jul 1, 2019	Purchases during the period	Bonus / right issue received during the period	Sold/ Disposed	As at March 31, 2020	Carrying cost	Market value	Un-realised gain/ (loss) on revaluation	Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
		Number of shares					Balance as at March 31, 2020			Percentage in relation to		
	(Rupees)						Rupees in '000			%		
Shares of listed companies												
Automobile Assembler												
Ghandhara Nissan Limited	10	37,999	-	-	-	37,999	**1,992**	**1,512**	**(480)**	1.28	1.24	0.07
Automobile Parts & Accessories												
The General Tyre and Rubber Company of Pakistan Limite	10	68,000	-	-	68,000	-	-	-	-	-	-	-
Thal Limited *	5	25,000	-	-	-	25,000	9,102	7,345	(1,757)	6.24	6.04	0.03
							9,102	**7,345**	**(1,757)**			
Cable & Electrical Goods												
Pakistan Cables Limited	10	67,775	14,700	-	-	82,475	**11,089**	**7,345**	**(3,744)**	6.24	6.04	0.23
Cement												
Javedan Corporation Limited**	10	895,400	-	88,290	22,500	961,190	**27,969**	**24,789**	**(3,180)**	21.06	20.38	0.33
Chemical												
Biafo Industries Limited	10	11,160	-	2,455	11,160	2,455	**299**	**307**	**8**	0.26	0.25	0.01
Commercial Banks												
BankIslami Pakistan Limited	10	1,965,500	250,000	165,300	565,500	1,815,300	20,021	16,374	(3,647)	13.91	13.46	0.18
Meezan Bank Limited	10	-	100,000	-	-	100,000	6,400	6,509	109	5.53	5.35	0.01
							26,421	**22,883**	**(3,538)**			
Engineering												
Aisha Steel Mills Limited	10	250,000	-	-	250,000	-	-	-	-	-	-	-
Amreli Steels Limited	10	101,500	-	-	101,500	-	-	-	-	-	-	-
Crescent Steel and Allied Products Limited	10	20,000	-	-	-	20,000	756	935	179	0.79	0.77	0.03
International Industries Limited	10	40,000	16,000	4,000	25,000	35,000	2,819	2,645	(174)	2.25	2.17	0.03
International Steels Limited	10	-	277,000	-	277,000	-	-	-	-	-	-	-
							3,575	**3,580**	**5**			
Fertilizer												
Engro Corporation Limited	10	110	-	-	110	-	-	-	-	-	-	-
							-	**-**	**-**			
Food & Personal Care Products												
Al Shaheer Corporation Limited ***	10	1,323,000	328,000	536,833	32,000	2,155,833	23,984	20,459	(3,525)	17.38	16.82	1.52
Fauji Foods Limited	10	5,500	-	-	5,500	-	-	-	-	-	-	-
							23,984	**20,459**	**(3,525)**			
Oil & Gas Exploration Companies												
Pakistan Oilfields Limited	10	30,000	-	-	30,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	10	20,045	-	4,009	11,500	12,554	1,511	902	(609)	0.77	0.74	-
							1,511	**902**	**(609)**			
Paper and Board												
Pakistan Paper Products Limited	10	666	-	-	-	666	**75**	**50**	**(25)**	0.04	0.04	0.01
Power Generation & Distribution												
K-Electric Limited	3.5	750,000	100,000	-	107,000	743,000	3,148	2,103	(1,045)	1.79	1.73	-
Nishat Power Limited	10	72,500	-	-	72,500	-	-	-	-	-	-	-
							3,148	**2,103**	**(1,045)**			

Name of the Investee Company	Face value per share	Number of shares: As at Jul 1, 2019	Purchases during the period	Bonus / right issue received during the period	Sold/ Disposed	As at March 31, 2020	Balance as at March 31, 2020: Carrying cost	Market value	Un-realised gain/ (loss) on revaluation	Percentage in relation to: Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
	(Rupees)						Rupees in '000			%		
Refinery												
Attock Refinery Limited	10	-	58,000	-	-	58,000	6,308	3,852	(2,456)	3.27	3.17	0.05
National Refinery Limited	10	-	124,000	-	7,000	117,000	16,131	9,803	(6,328)	8.33	8.06	0.15
							22,439	**13,655**	**(8,784)**			
Technology and Communication												
Pakistan Telecommunication Company Limited	10	1,100,000	-	-	-	1,100,000	**9,097**	**8,525**	**(572)**	7.24	7.01	0.03
Textile Composite												
Nishat Mills Limited	10	10,000	50,000	-	-	60,000	**5,833**	**3,524**	**(2,309)**	2.99	2.90	0.02
Vanaspati & Allied Industries												
Punjab Oil Mills Limited	10	4,200	-	-	-	4,200	**839**	**722**	**(117)**	0.61	0.59	0.08
Total listed equity securities as at March 31, 2020							**147,373**	**117,701**	**(29,672)**			
Total listed equity securities as at June 30, 2019							188,437	133,875	(54,562)			

* This includes 25,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

** The exposure limit of investment in a single company as percentage of net assets exceeded by 5.38% against the prescribed limit of 15% of the total net assets as required under NBFC Regulations.

*** The exposure limit of investment in a single company as percentage of net assets exceeded by 1.82% against the prescribed limit of 15% of the total net assets as required under NBFC Regulations.

	Note	(Unaudited) March 31, 2020	(Audited) June 30, 2019
5.2 Net unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss'		--- (Rupees in '000) ---	
Market value of investments	5.1	**117,701**	133,875
Carrying amount of investments	5.1	**(147,373)**	(188,437)
		(29,672)	(54,562)

6. DIVIDEND AND PROFIT RECEIVABLE ON BANK DEPOSITS

Profit on bank balance	**18**	40
Dividend receivable	**37**	1
	55	41

			(Unaudited) March 31, 2020	(Audited) June 30, 2019
7.	**DEPOSITS AND PREPAYMENTS**	**Note**	**--- (Rupees in '000) ---**	
	Security deposit with			
	- National Clearing Company of Pakistan Limited		**2,500**	2,500
	- Central Depository Company of Pakistan Limited		**100**	100
	Prepayments			
	- PSX annual listing fee		**5**	-
	- Shariah advisory fee		**146**	105
			2,751	2,705

8. PRELIMINARY EXPENSES AND FLOATATION COST

Preliminary expenses and floatation cost		**746**	951
Less: amortised during the period	8.1	**(154)**	(205)
		592	746

8.1 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.

			(Unaudited) March 31, 2020	(Audited) June 30, 2019
9.	**PAYABLE TO MANAGEMENT COMPANY**	**Note**	**--- (Rupees in '000) ---**	
	Remuneration	9.1	**206**	226
	Sales tax on management fees	9.2	**27**	29
	Expenses allocated by the Management Company	9.3	**90**	11
	Formation cost		**746**	951
	Others		**17**	12
			1,086	1,229

9.1 The Management Company charged remuneration at the rate of 2 percent per annum of the average daily net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

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

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

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for the periods i.e. from July 1, 2019 to March 31, 2020 , being lower than actual expenses.

		(Unaudited) March 31, 2020	(Audited) June 30, 2019
10. PAYABLE TO THE TRUSTEE	Note	--- (Rupees in '000) ---	
Trustee fee	10.1	**12**	14
Sindh Sales Tax	10.2	**2**	2
		14	16

10.1 The Trustee is entitled to a monthly remuneration to be paid monthly in arrears for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund.

-

The tariff structure applicable to the fund is as follows:

Amount of Funds Under Management [Average Net Assets Value (NAV)]	Tariff per annum
Upto Rs 1,000 million0.	12% of Net Assets
Exceeding Rs 1,000 million and up to Rs.5,000 million	Rs. 1.2 million plus 0.065% per anum of the amount exceeding Rs. 1,000 million
Exceeding Rs. 5,000 million and up to Rs. 10,000 million	Rs. 3.8 million plus 0.06% per anum of the amount exceeding Rs. 5,000 million

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

		(Unaudited) March 31, 2020	(Audited) June 30, 2019
11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	--- (Rupees in '000) ---	
Annual fee payable to SECP	11.1	**20**	179

11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a Collective Investment Scheme categorised as a equity scheme was required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.095 percent of the average annual net assets of the scheme. However, as per S.R.O. 685(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.

12. ACCRUED AND OTHER LIABLITIES	Note	(Unaudited) March 31, 2020	(Audited) June 30, 2019
		--- (Rupees in '000) ---	
Brokerage payable		**153**	23
Auditors remuneration		**133**	118
Printing charges payable		**213**	100
Charity payable		**542**	463
Provision for SWWF	12.1	**-**	-
Others		**151**	34
		1,192	738

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

In the Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Despite the above explained position, the management intends to record SWWF provision as a matter of abandon precaution. However, no provision has been made in the current period since the fund incurred losses.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2020 and June 30, 2019.

14. TOTAL EXPENSE RATIO

The total expense ratio of the Fund is 2.95% (March 31, 2019: 2.88%) and this includes 0.26% (March 31, 2019: 0.32%) representing Government levy and SECP fee. This ratio is within the maximum limit of 4.5% (March 31, 2019: 4%) prescribed under the NBFC Regulations for a Collective Investment Scheme categorized as a Shariah Compliant Equity Scheme.

15. 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 (Clause 99), 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 II A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Since 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 taxation has been made in these condensed interim financial information for the period ended March 31, 2020.

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund includes 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 an agreed terms at contracted rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and constitutive documents of the Fund.

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)	(Un-audited)
	For the nine months ended	
	March 31, 2020	March 31, 2019
Transactions during the period	-------- (Rupees in '000)	---------
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**2,013**	3,059
Expenses allocated by the Management Company	**101**	153
Sindh Sales Tax on management remuneration	**262**	398
AKD Investment Management Limited - Staff Provident Fund		
Issue of 77,370 units (2019: Nil)	**2,875**	-
Redemption of 160,525 units (2019: Nil)	**5,900**	-
MCB Financial Services Limited - Trustee		
Trustee remuneration	**121**	184
Sindh Sales Tax on trustee remuneration	**16**	24

	(Un-audited) March 31, 2020	(Un-audited) March 31, 2019
	For the nine months ended	
	-------- (Rupees in '000) --------	
AKD Opportunity Fund (AKDOF) - Common Management		
Shares sold by AKDOF	**-**	3,135
Shares purchased by AKDOF	**277**	-
AKD Securities Limited		
Brokerage Expense	**10**	7
Sehr Imran Motiwala - Spouse - CEO of the Management Company		
Issue of 138,661 units (2019: Nil)	**3,495**	-
Hina Aqeel - Close family member of the chairman of the group		
Issue of Nil units (2019: 42,632)	**-**	1,939
Redemption of Nil units (2019: 40,000)	**-**	1,917
Afsheen Aqeel Dhedhi- Close family member of the chairman of the group		
Issue of Nil units (2019: 21,316)	**-**	970
Redemption of 21,316 units (2019: 20,000)	**768**	959
Saim Mustafa Zuberi - Director of the Management Company		
Redemption of 10,078 units (2019: Nil)	**308**	-

Balances outstanding at the period / year end	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Management Company		
Remuneration payable	**206**	226
Sales Tax Provincial on Management Remuneration	**27**	29
Expenses allocated by the Management Company	**90**	11
Payable against formation cost	**746**	951
Sales Load payable	**17**	12
MCB Financial Services Limited - Trustee		
Remuneration payable	**12**	14
Sales tax on trustee remuneration payable	**2**	2
AKD Securities Limited		
Brokerage Expense	**11**	-

	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
	-------- (Rupees in '000)	---------
AKD Investment Management Limited - Staff Provident Fund		
Outstanding 38,082 units (June 2019: 121,237 units)	**1,064**	4,219
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Outstanding 200,000 units (June 2019: 200,000 units)	**5,589**	6,960
Sehr Imran Motiwala - Spouse - CEO of the Management Company		
Outstanding 138,661 units (June 2019: Nil units)	**3,875**	-
Saim Mustafa Zuberi - Director of the Management Company		
Outstanding Nil units (June 2019: 10,078 units)	**-**	351
Muhammad Farid Alam - Key Management Personnel of Associated Company		
Outstanding 30,000 units (June 2019: 30,000 units)	**838**	1,044
Hina Aqeel - Close family member of the chairman of the group		
Outstanding 42,632 units (June 2019: 42,632 units)	**1,191**	1,484
Afsheen Aqeel Dhedhi- Close family member of the chairman of the group		
Outstanding Nil units (June 2019: 21,316 units)	**-**	742
Anum Dhedhi - Chief Investment Officer & Director of the Management Company		
Outstanding 89,657 units (June 2019: 89,657 units)	**2,505**	3,120
Yasmeen Dhedhi - Close family member of the chairman of the group		
Outstanding 20,000 units (June 2019: 20,000 units)	**559**	696
Toqir Hussain - Key Management Personnel of the Management Company		
Outstanding 600 units (June 2019: 600 units)	**17**	21
Hamdard Laboratories (Waqf) Pakistan - Connected person due to more than 10% holding		
Outstanding 1,451,998 units (June 2019: 1,451,998)	**40,576**	50,531
Muhammad Omar Bawany* - Connected person due to more than 10% holding		
Outstanding Nil units (June 2019: 389,835 units)	**-**	13,567

*** Prior period Connected Party current figures not shown.**

17. 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 equity shares) 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.

		March 31, 2020 (Un-audited)						
		Carrying amount			Fair Value			
	Note	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								
- Listed equity securities		117,701	-	117,701	117,701	-	-	117,701
Financial assets not measured at fair value	0.0							
Bank balances		-	11,496	11,496				
Dividend and Profit receivable on bank deposits		-	55	55				
Deposits		-	2,600	2,600				
		-	14,151	14,151				
Financial liabilities not measured at fair value	0.0							
Payable to the Management Company		-	1,059	1,059				
Payable to the Trustee		-	12	12				
Accrued expenses and other liabilities		-	980	980				
Payable against purchase of investments		-	8,648	8,648				
			10,699	10,699				

	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 - Listed equity securities	133,875	-	133,875	133,875	-	-	133,875
Financial assets not measured at fair value							
Bank balances	-	2,712	2,712				
Dividend and Profit receivable on bank deposits	-	41	41				
Deposits	-	2,600	2,600				
Receivable against sale of investments	-	2,328	2,328				
	-	7,681	7,681				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	1,200	1,200				
Payable to Trustee	-	14	14				
Accrued expenses and other liabilities	-	738	738				
Payable against purchase of investments	-	4,643	4,643				
	-	6,595	6,595				

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 29, 2020.

19. GENERAL

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

19.2 This condensed interim financial information is unaudited.

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

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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