Funds Managed by:

AKD Investment Management Ltd.

Quarterly Report
September 30, 2020
(Un-Audited)

quarterly report

AKD
AGGRESSIVE INCOME FUND

Partner with AKD
Profit from the Experience

AKD Investment Management Ltd.

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CORPORATE INFORMATION

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

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Muhammad Munir Abdullah

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

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

RATING

AKD Investment Management Limited
AM3++ (AM Three Plus Plus) issued by PACRA

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 Aggressive Income Fund

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

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

BANKERS
Apna Microfinance Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Moblink Microfinance Bank Limited
MCB Bank Limited
NRSP Microfinance Bank Limited
Summit Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited

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

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

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

DISTRIBUTORS
AKD Investment Management Limited.
Investomate (Pvt.) Limited
Investlink Advisor (Private) Limited

RATING
AKD Aggressive Income Fund
PACRA: A(f)

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF) AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), Golden Arrow stock Fund (GASF) and AKD Islamic Stock Fund (AKDISSF) is pleased to present its first quarter report along with the Funds' un-audited Financial Statements for the Quarter ended September 30, 2020.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

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

Golden Arrow Stock Fund (GASF)

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

AKD Index Tracker Fund (AKDITF)

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

AKD Cash Fund (AKDCF)

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

AKD Aggressive Income Fund (AKDAIF)

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

AKD Islamic Income Fund (AKDISIF)

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

AKD Islamic Stock Fund (AKDISSF)

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

MACRO PERSPECTIVE

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

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

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

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

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

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

MONEY MARKET REVIEW

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

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

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

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

FUTURE OUTLOOK

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

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

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

For and on behalf of the board

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

Karachi: October 29, 2020

FUND MANAGER'S REPORT

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

Open - End Aggressive Fixed Income Scheme.

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

AKD Aggressive Income Fund (AKDAIF) is a dedicated fund that focuses primarily on fixed income securities and instruments. The objective of AKDAIF is to offer investors a convenient vehicle to invest in a diversified portfolio of fixed income securities / instruments that provide consistent returns with concern for preservation of capital over the longer term.

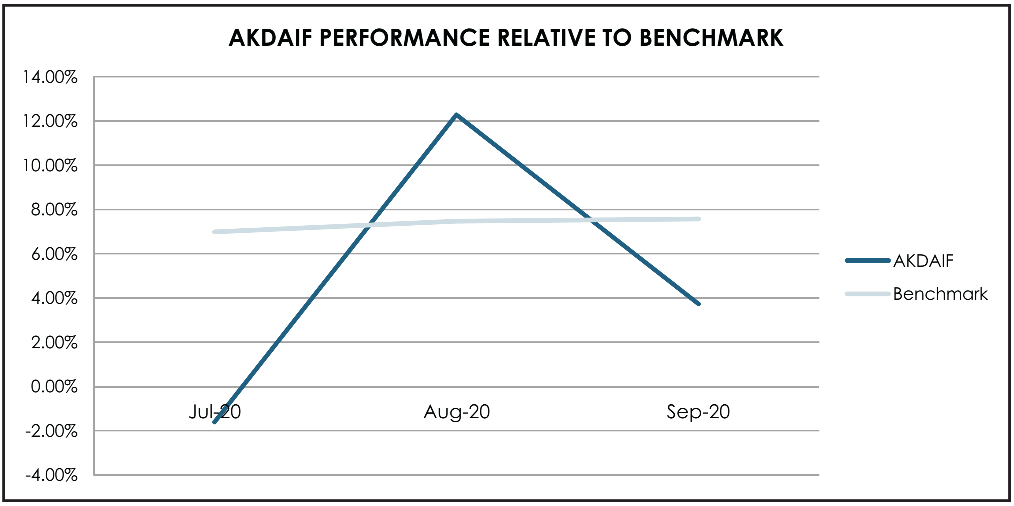
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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

1 Year KIBOR

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



Monthly yield (annualized)	Jul-20	Aug-20	Sep-20
AKDAIF	-1.61%	12.28%	3.72%
Benchmark	6.99%	7.47%	7.57%

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

AKD Aggressive Income Fund is an Open - End Aggressive Fixed Income Scheme; the returns of the fund are generated through investment in T-bills, PIBs, Margin Trading System, Spread transaction and corporate debt instruments.

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

Asset Allocation (% of Total Asset)	30-Sep-20	30-Jun-20
Cash and Cash Equivalent	28.83%	11.42%
T-bills having more than 90 days maturity	26.19%	54.43%
Pakistan Investment Bonds	6.61%	-
TFCs / SUKUK	21.10%	24.03%
Commercial Papers	2.56%	8.19%
Spread Transactions (Cost)	12.61%	-
Other Assets including Receivables	2.10%	1.93%

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--------------------			
Silk Bank Limited	TFC	87,043	Nil	87,043	11.61%	11.34%

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

1QFY21 Return (annualized)	4.81%
Benchmark Return (annualized)	7.34%

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

Net Assets Value		NAV Per Unit		
30-Sep-20	30-Jun-20	Change in Net Assets	30-Sep-20	30-Jun-20
(Rupees In "000")		(Rupees In "000")		
749,909	652,484	14.93%	51.68	51.06

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

MACRO PERSPECTIVE

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

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To further address demand for liquidity, the SBP conducted three auctions of fixed rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 249.17 billion cumulatively during 1QFY21. The weighted average yield of 3 years, 5 years, and 10 years fixed rate PIBs were 7.81%, 8.35%, and 8.91% respectively, as compared to 13.82%, 13.50%, and 13.24%, during same period last year. In addition, government also accepted bids for 20 years and 15 years fixed rate PIBs during the period with the weighted average yield of 10.44% and 9.84% respectively. The Monetary Policy Committee (MPC) announced one (1) Monetary Policy Statement in 1QFY21, where the committee maintained the policy rate at 7% amid the Covid-19 pandemic with an aim to cushion the slowdown in growth rate while maintaining its inflation outlook and financial stability. The SBP conducted 22 Open Market Operations (OMO) in 1QFY21 of different maturities, in which it injected an average amount of PKR 726.49 billion per OMO at an average cut-off yield of 7.03%, and mopped up an average amount of PKR 45.17 billion per OMO at an average cut-off yield of 6.91%.

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FUTURE OUTLOOK

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

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

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

xii) Description and explanation of any significant changes in the state of the affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements:

There were no significant changes in the state of affairs during the period under review.

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

There were no unit splits during the period.

xiv) Breakup of unit holding by size:

Range (Units)	No. of Investors
0.1 - 9,999	69
10,000 - 49,999	17
50,000 - 99,999	4
100,000 - 499,999	11
500,000 and above	2
	103

xv) Disclosure of circumstances that materially affect any interest 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 commissions have been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2020

	Note	(Un-Audited) September 30 2020	(Audited) June 30 2020
		(Rupees in '000)	
ASSETS			
Bank balances	5	**21,410**	8,265
Investments	6	**722,087**	657,804
Profit receivable	7	**3,574**	10,238
Deposit and other receivable	8	**20,773**	2,928
Total assets		**767,844**	679,235
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	**5,425**	5,170
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	**59**	47
Payable to the Securities and Exchange Commission of Pakistan	11	**34**	123
Accrued expenses and other liabilities	12	**6,128**	15,123
Unclaimed dividend		**6,289**	6,289
Total liabilities		**17,935**	26,752
NET ASSETS		**749,909**	652,483
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**749,909**	652,483
CONTINGENCIES AND COMMITMENTS	13		
		------- (Number of units) -------	
NUMBER OF UNITS IN ISSUE		**14,511,269**	12,779,109
		------------ (Rupees)------------	
NET ASSETS VALUE PER UNIT		**51.6777**	51.0586

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Abdul Karim	**Imran Motiwala**	**Muhammad Munir Abdullah**
Chairman	Chief Executive Officer	Chief Financial Officer

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

	Note	Quarter Ended September 30 2020	2019
		(Rupees in '000)	
INCOME			
Income / (loss) from spread transactions - net		**144**	-
Capital loss on sale of investments - net		**(1,342)**	279
Net unrealised appreciation / (diminuition) on remeasurement of investments 'at fair value through profit or loss'		**(10,178)**	(2,886)
Net unrealised appreciation on remeasurement of Future Contracts		**8,716**	
Profit on bank deposits		**314**	656
Income from government securities		**7,622**	10,049
Income from term finance certificates and sukuk certificates		**4,607**	8,527
Income from term deposit receipts		**-**	393
Income from commercial papers		**634**	131
Income from Pakistan Investment Bonds		**1,558**	-
Dividend income		**184**	-
TOTAL INCOME		**12,259**	17,149
EXPENSES			
Remuneration of AKD Investment Management Limited - Management Company		**2,579**	2,127
Sindh Sales tax on the remuneration of Management Company		**335**	276
Expenses allocated by Management Company		**258**	142
Remuneration of Central Depository Company of Pakistan Limited - Trustee		**129**	106
Sindh Sales tax on the remuneration of Trustee		**18**	14
Annual fee to the Securities and Exchange Commission of Pakistan		**34**	29
Security transaction costs		**196**	43
Provision against Sindh Workers' Welfare Fund	12.1	**166**	280
Auditors' remuneration		**108**	121
Bank charges		**23**	17
Fees and subscriptions		**96**	109
Legal and professional		**130**	142
Printing and related costs		**38**	38
TOTAL EXPENSES		**4,110**	3,444
Net income for the period before taxation		**8,149**	13,705
Taxation	14	**-**	-
Net income for the period after taxation		**8,149**	13,705
Allocation of net income for the period			
Net income for the year after taxation		**8,149**	13,705
Income already paid on units redeemed		**(24)**	(152)
		8,125	13,553
Accounting income available for distribution			
- Relating to capital gains		**-**	-
- Excluding capital gains		**8,125**	13,553
		8,125	13,553
Earnings per unit	15		

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Abdul Karim	Imran Motiwala	Muhammad Munir Abdullah
Chairman	Chief Executive Officer	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

	Quarter ended September 30	
	2020	2019
	(Rupees in '000)	
Net income for the period after taxation	**8,149**	13,705
Other comprehensive income for the period	**-**	**-**
Total comprehensive income for the period	**8,149**	13,705

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Abdul Karim	Imran Motiwala	Muhammad Munir Abdullah
Chairman	Chief Executive Officer	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

	2020			2019		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	Rupees in '000					
Net assets at beginning of the period	**624,257**	**28,226**	**652,483**	530,008	29,025	559,033
Issue of units 2,045,523 (2019: 647,838 units)						
- Capital value (at Ex-Net asset value per unit at the beginning of period)	**104,441**	**-**	**104,441**	33,118	-	33,118
- Element of income	**983**	**-**	**983**	422	-	422
	105,424	**-**	**105,424**	33,540	-	33,540
Redemption of 313,363 units (2019: 585,800 units)						
- Capital value (at Ex-Net asset value per unit at the beginning of period)	**16,000**	**-**	**16,000**	29,947	-	29,947
- Element of income	**123**	**24**	**147**	166	152	318
	16,123	**24**	**16,147**	30,113	152	30,265
Total comprehensive income for the period	**-**	**8,149**	**8,149**	-	13,705	13,705
Distribution during the period	**-**	**-**	**-**	-	-	-
Refund of capital	**-**	**-**	**-**	-	-	-
Net income for the period less distribution	**-**	**8,149**	**8,149**	-	13,705	13,705
Net assets at end of the period	**713,558**	**36,351**	**749,909**	533,435	42,578	576,013
Undistributed income brought forward						
- Realised income		**26,869**			34,509	
- Unrealised gain / (loss)		**1,357**			(5,484)	
		28,226			29,025	
Accounting income available for distribution						
- Relating to capital gains		**-**			-	
- Excluding capital gains		**8,125**			13,553	
		8,125			13,553	
Undistributed income carried forward		**36,351**			42,578	
Undistributed income carried forward						
- Realised income		**37,813**			45,464	
- Unrealised loss		**(1,462)**			(2,886)	
		36,351			42,578	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		**51.0586**			51.1211	
Net assets value per unit at end of the period		**51.6777**			52.3767	

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Abdul Karim	Imran Motiwala	Muhammad Munir Abdullah
Chairman	Chief Executive Officer	Chief Financial Officer

CONDENSED INTERIM CASH FLOWS STATEMENT (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

	Note	Quarter ended September 30 2020	2019
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**8,149**	13,705
Adjustments for non-cash and other items			
Unrealised diminution in fair value of investments classified as 'financial at fair value through profit or loss' - net		**10,178**	2,886
Net unrealised appreciation on remeasurement of Future Contracts		**(8,716)**	
Capital loss on sale of investments		**1,342**	(279)
Provision against Sindh Workers' Welfare Fund		**166**	280
		11,119	16,592
Decrease / (increase) in assets			
Profit receivable		**6,664**	252
Deposits, prepayments and other receivables		**(17,845)**	(20)
		(11,181)	232
(Decrease) / increase in liabilities			
Payable to AKD Investment Management Limited - Management Company		**255**	(456)
Payable to the Central Depository Company of Pakistan Limited - Trustee		**12**	(52)
Payable to the Securities and Exchange Commission of Pakistan		**(89)**	(452)
Accrued expenses and other liabilities		**(9,161)**	(2,780)
		(8,983)	(3,740)
Investments - net		**4,005**	(261,932)
Net cash (used in) / generated from operating activities		**(5,040)**	(248,848)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		**105,424**	33,540
Amount paid against redemption of units		**(16,147)**	(30,265)
Net cash used in financing activities		**89,277**	3,275
Net decrease in cash and cash equivalents during the period		**84,237**	(245,573)
Cash and cash equivalents at beginning of the period		**28,126**	342,409
Cash and cash equivalents at end of the period	17	**112,363**	96,836

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Abdul Karim	**Imran Motiwala**	**Muhammad Munir Abdullah**
Chairman	Chief Executive Officer	Chief Financial Officer

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

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Aggressive Income Fund (the Fund) was established under a Trust Deed executed between AKD Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the trust deed on September 11, 2006 and it was executed on October 2, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced operations from March 23, 2007.

The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules, through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block 8, Clifton, Karachi, in the province of Sindh.

The Fund is an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund.

The Fund is classified as an 'Aggressive Fixed Income Scheme'. The principal activity of the Fund is to make investments in government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of mushrakas (COM), commercial paper, reverse repo, term deposit receipts, term finance certificates/ sukuk certificates, spread transactions and transactions under Margin Trading System.

The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.

The Management Company has been assigned a quality rating of "AM3++" by Pakistan Credit Rating Agency Limited (PACRA) on February 8, 2020. The Fund has been given stability rating of 'A(f)' by PACRA on September 30, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

2.2 This condensed interim financial information does not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2020.

2.3 This condensed interim financial information is being submitted to the unitholders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

3. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

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

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

4. FINANCIAL RISK MANAGEMENT

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

5 BANK BALANCES	Note	Un-Audited September 30 2020	Audited June 30 2020
		(Rupees in '000)	
In savings account	5.1	**21,343**	8,199
In current account		**67**	67
		21,410	8,265

5.1 Mark-up rates on these accounts range between 5.00% to 5.50% (2020: 5.00% to 6.50%) per annum.

6. INVESTMENTS	Note	Un-Audited September 30 2020	Audited June 30 2020
		(Rupees in '000)	
At fair value through profit or loss			
- Debt securities - Term finance certificates	6.1	**162,013**	163,201
- Government Securities	6.3	**451,822**	438,991
- Equity securities (Spread Transactions)	6.5	**88,571**	-
		702,406	602,192
At amortised cost			
- Commercial paper	6.6	**19,681**	55,612
		722,087	657,804

6.1 Debt securities - Term Finance Certificates

Name of Investee Company	Face value per certificate	Number of certificates				Balance as at September 30, 2020			Market value as a percentage of		Investment as a percentage of total issue size
		As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at Sep. 30, 2020	Carrying value	Market value	Unrealised appreciation/ (diminution) as at September 30, 2020	Investments	Net assets	
	(Rupees)					---Rupees in '000'---			--- % ---		
Term finance certificates - listed											
Commercial Banks											
Summit Bank Limited - (note 6.1.2)	5,000	5,000	-	-	5,000	24,925	-	-	-	-	-
Less: provision for impairment						(24,925)					
						-					
Technology & Communication											
Worldcall Telecom Limited- (note 6.1.3)	5,000	20,000	-	-	20,000	34,235	-	-	-	-	-
Less: provision for impairment						(34,235)					
						-					
Cement											
Dewan Cement Limited - (note 6.1.4)	5,000	20,000	-	-	20,000	100,000	-	-	-	-	-
Less: provision for impairment						(100,000)					
						-					
Miscellaneous											
Pace Pakistan Limited- (note 6.1.5)	5,000	115	-	-	115	574	-	-	-	-	-
Less: provision for impairment						(574)					
						-					
Term finance certificates - unlisted											
Commercial Banks											
Silk Bank Limited	5,000	20,000	-	-	20,000	89,703	87,043	(2,660)	12.05	11.61	4.49
The Bank of Punjab	100,000	750	-	-	750	73,488	74,970	1,482	10.38	10.00	2.94
Total - September 30, 2020						163,191	162,013	(1,178)			
Total - June 30, 2020						164,354	163,201	(1,153)			

6.1.1 Significant terms and conditions of term finance certificate are as follows:

Name of security	Face value per certificate	Redeemed face value per certificate	Mark-up rate (per annum)	Maturity	Rating
	(Rupees)	(Rupees)			
Silk Bank Limited	5,000	4,997	6 month KIBOR + 1.85%	August 10, 2025	BBB+
The Bank of Punjab	100,000	99,860	6 month KIBOR + 1%	December 23, 2026	AA-

6.1.2 The Term Finance Certificates (TFCs) of Summit Bank Limited (SBL) had an original maturity of October 27, 2018. An extra ordinary general meeting was called on November 19, 2018, where in it was resolved that the maturity date of these certificates be extended for one year (i.e October 27, 2019) on the existing terms and conditions. Since SBL defaulted on timely payment of its final installment, the management company has made 100 percent provision amounting to Rs. 24.925 million against the defaulted installment in line with the requirement of Circular 33 dated October 24, 2012. Furthermore, profit on installment due amounting to Rs. 1.23 million has also been suspended.

6.1.3 The Term Finance Certificates (TFCs) of Worldcall Telecom Limited (WTL) had an original maturity of October 07, 2013. WTL had defaulted on timely repayment of principal, therefore, the TFC has been classified as non-performing by Mutual Funds Association of Pakistan w.e.f November 8, 2012. Accordingly the outstanding investment had been fully provided.

6.1.4 The Fund had advanced an amount of Rs 100 million in respect of Pre-IPO placement of Dewan Cement Limited (DCL) under an agreement, which required public offering to be completed within 270 days of the date of agreement (which was January 9, 2008). Dewan Cement Limited (DCL) failed to complete the public offering within the said time period and had also defaulted in payment of principal and profit for the said period. As a matter of prudence, the Fund had made provision for the amount of the investment in accordance with the provisioning criteria specified in Circular No. 1 of 2009 dated January 6, 2009 issued by the SECP.

6.1.5 The Term Finance Certificates (TFCs) of Pace (Pakistan) Limited (PPL) had an original maturity of February 15, 2017. PPL had defaulted on timely repayment of principal, therefore, the TFC has been classified as non-performing by Mutual Funds Association of Pakistan w.e.f September 5, 2011. Accordingly the outstanding investment had been fully provided.

6.2 Debt securities - Sukuk Certificates

Name of Investee Company	Redeemed Face value per certificate	Number of Certificates				Balance as at September 30, 2020			Market value as a percentage of		Investment as a percentage of total issue size
		As at July 1, 2020	Purchased during the period	Sold / redeemed during the period	As at September 30, 2020	Carrying value	Market value	Unrealised Apprecition/ (diminution) as at September 30, 2020	Investments	Net assets	
	(Rupees)					------------------ (Rupees in '000) ------------------			------------------------- % -------------------------		
New Allied Electronics Industries (Private) Limited -note (6.2.2)	313	96,000	-	-	96,000	30,000	-	-	-	-	-
Less: provision for impairment						(30,000)	-	-			
						-					
Total - September 30, 2020						-	-	-			
Total - June 30, 2020						-	-	-			

6.2.2 New Allied Electronics Industries (Private) Limited defaulted on the amount of principal and mark-up due on the scheduled redemption dates i.e. October 25, 2008, January 25, 2009, April 25, 2009, July 25, 2009, October 25, 2009, January 25, 2010 and April 25, 2010. Hence, the Fund had been fully provided for the amount of the Investment in accordance with the requirements of Circular No. 1 of 2009 dated January 6, 2009.

6.3 Market Treasury Bills

Issue Date	Tenor	Face Value				Balance as at September 30, 2020			Market value as a percentage of	
		At July 1, 2020	Purchased during the period	Sold / matured during the period	As at September 30, 2020	Carrying Value	Market value	Unrealised appreciation/ (dimunition) as at June 30, 2020	Investments	Net assets
						----------(Rupee in '000)----------			------ % ------	
Market Treasury Bills- 3 months		20,000	127,000	55,000	92,000	90,957	90,953	(4)	12.60	12.13
Market Treasury Bills- 12 months		440,000	153,500	275,000	318,500	310,520	310,098	(422)	42.94	41.35
Total as on September 30, 2020						**401,477**	**401,051**	**(426)**		
Total as on June 30, 2020						436,481	438,991	2,510		

6.3.1 On August 08, 2020, September 23, 2020 and September 25, 2020, the Fund transferred Market Treasury Bills of Rs. 150 million (face value) into National Clearing Company Limited (NCCPL) Exposure margin account maintained with Bank Al-Falah Limited in respect of Exposure Margin and Mark-to-Market losses in Ready Market and DFC Market.

6.4 Pakistan Investment Bonds

Name of security	Face Value				Balance as at September 30, 2020			Market value as a percentage of	
	At July 1, 2020	Purchased during the period	Sold / matured during the period	As at September 30, 2020	Carrying Value	Market value	Unrealised appreciation/ (dimunition) as at September 30, 2020	Investments	Net assets
	----------				(Rupee in '000)		----------	------ % ------	
Pakistan Investement Bonds									
Pakistan Investement Bonds- 5 year	-	150,000	100,000	50,000	51,063	50,771	(292)	7.03	6.77
Total - September 30, 2020					**51,063**	**50,771**	**-** / **(292)**		
Total - June 30, 2020					-	-	- / -		

6.5 Equity securities for spread transactions

Name of Investee Company	Number of Shares					Balance as at September 30, 2020			Market value as a percentage of		Investment as a percentage of total issue size
	At July 1, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at September 30, 2020	Carrying value	Market value	Diminution	Investments	Net assets	
Face value of Rs. 10 per share						------------------Rupees in '000'--------------			-------------------------- % --------------------------		
Ordinary shares											
Amreli Steels Limited	-	18,000	-	-	18,000	865	788	(77)	0.11	0.11	0.01
Attock Refinery Limited	-	25,500	-	25,500	-	-	-	-	-	-	-
Engro Fertilizers Limited	-	46,000	-	46,000	-	-	-	-	-	-	-
Ghandhara Industries Limited	-	28,000	-	2,000	26,000	7,277	6,126	(1,151)	0.85	0.82	0.06
Maple Leaf Cement Factory Limited	-	120,000	-	-	120,000	4,756	4,307	(449)	0.60	0.57	0.01
National Refinery Limited	-	21,000	-	-	21,000	4,178	3,653	(525)	0.51	0.49	0.03
NetSol Technologies Limited	-	24,500	-	-	24,500	1,631	1,473	(158)	0.20	0.20	0.03
Pakistan Petroleum Limited	-	79,000	-	79,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	375,000	-	-	375,000	7,808	7,001	(807)	0.97	0.93	0.06
Sui Southern Gas Company Limited	-	13,000	-	13,000	-	-	-	-	-	-	-
The Hub Power Company Limited	-	34,000	-	34,000	-	-	-	-	-	-	-
The Searle Company Limited	-	25,000	-	-	25,000	6,815	6,408	(407)	0.89	0.85	0.01
TRG Pakistan Limited	-	1,216,000	-	340,000	876,000	49,557	45,692	(3,865)	6.33	6.09	0.16
United Bank Limited	-	122,500	-	8,500	114,000	13,966	13,123	(843)	1.82	1.75	0.01
Unity Foods Limited	-	6,000	-	6,000	-	-	-	-	-	-	-
Total - September 30, 2020						**96,853**	**88,571**	**(8,282)**			
Total - June 30, 2020						-	-	-			
Preferance shares											
Security Leasing Corporation Limited (note 6.4.1)	**3,445,250**	-	-	-	**3,445,250**	10,663	-		-	-	
Less: provision for impairement						(10,663)					
						-					
Total - September 30, 2020						**96,853**	**88,571**	**(8,282)**			
Total - June 30, 2020						-	-				

6.5.1 In view of adverse financial position, Security Leasing Corporation Limited had deferred the payment of 3rd redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2009 and 4th redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2010. As per the terms of the preference shares, the preference shareholders have preference over ordinary shareholders in the event of liquidation of the Company. The management has fully provided for its investment during the year ended June 30, 2018.

6.6 Commercial Paper

Name of Investee Company	Rate of return per annum	Face value: As at July 01, 2020	Face value: Purchased during the period	Face value: Matured / sold during the period	Face value: As at Sept. 30, 2020	Carrying value	Maturity	Rating	Carrying value as percentage of: Investments	Carrying value as percentage of: Net assets
		Rupees in '000'							%	
TPL Trakker Limited	16.0%	55,612	-	55,612	-	-	14-Jul-20	A1	-	-
TPL Trakker Limited	9.20%	-	35,931	35,931	-	-	17-Aug-20	A1	-	-
TPL Trakker Limited	9.20%	19,681	-	-	19,681	19,681	10-Jan-21	A1	2.73	2.62
Total - September 30, 2020					**19,681**	**19,681**				
Total - June 30, 2020					55,612	55,612				

6.7 Net unrealised appreciation / (diminution) on re-measurement of investments as 'financial assets at fair value through profit or loss'

	Un-Audited September 30 2020	Audited June 30 2020
	(Rupees in '000)	
Market value of investments	**702,406**	602,192
Carrying amount of investments	**(712,584)**	(600,835)
	(10,178)	1,357

6.8 Details of Non-compliant Investment

The Securities and Exchange Commission of Pakistan (SECP), vide its circular no. 16 dated July 7, 2010 has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the collective investment schemes or with the investment requirements of their constitutive documents.

Name of non compliant investment	Note	Isuse date	Type of investment	Value of investment	Provision held if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
				Rupees in 000			Percentage of net assets	
Non-compliance under NBFC Regulation 55 (5)								
Silk Bank Limited TFC	6.1	10-Aug-17	Term Finance Certificate	**87,043**	**-**	**87,043**	**11.61%**	**11.34%**
Non-compliance under via circular no.7 of 2009								
Security Leasing Corporation Limited	6.5.1	-	Preference shares	**10,663**	**(10,663)**	**-**	**-**	**-**

	Note	Un-Audited September 30 2020	Audited June 30 2020
		(Rupees in '000)	
7. PROFIT RECEIVABLE			
Profit receivable on:			
- Term finance and sukuk certificates		**3,080**	6,128
- Dividend		**184**	-
- Pakistan Investment Bonds		**157**	-
- Commercial papers		**-**	4,071
- Bank deposits		**153**	39
		3,574	10,238
8. DEPOSIT AND OTHER RECEIVABLE			
Security deposits with:			
- National Clearing Company Pakistan Limited		**11,858**	2,750
- Central Depository Company Limited		**100**	100
Advance tax		**78**	78
Receivable against spread transactions (Mark to Market)		**8,716**	-
Prepaid Listing Fee		**21**	-
		20,773	2,928
9. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee	9.1	**906**	818
Sindh Sales Tax on Management fee	9.2	**118**	106
Expenses allocated by the Management Company	9.3	**204**	57
Federal exercise duty on Management fee	9.4	**4,141**	4,141
Sales Load		**8**	-
Other		**48**	48
		5,425	5,170

9.1 The remuneration to the Management Company is been charged at 1.5% of the daily average net assets value and is payable in arrears.

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

9.3 SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1% (as per Regulation 60 of the NBFC Regulations expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS)). Accordingly, the Management Company has charged expenses at the rate of 0.15% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to Fund, from July 01, 2020 to September 30, 2020.

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

On June 30, 2016, the Honorable Sindh High Court of Pakistan had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 4.14 million (June 30, 2020: Rs. 4.14 million) until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at September 30, 2020 would have been higher by Rs. 0.285 per unit (June 30, 2020: Rs. 0.324 per unit).

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

	Note	Un-Audited September 30 2020	Audited June 30 2020
		(Rupees in '000)	
10. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee		**45**	41
Settlement charges payable to the trustee	10.1	**7**	1
Sindh Sales Tax on trustee fee and settlement charges	10.2	**7**	5
		59	47

10.1 Tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.075% of net assets. The remuneration is paid to the Trustee on monthly basis in arrears.

10.2 Sindh Sales Tax has been charged at the rate of 13% (June 30, 2020: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

	Note	Un-Audited September 30 2020	Audited June 30 2020
		(Rupees in '000)	
11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable to SECP	11.1	**34**	123

11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 all Collective Investment Scheme are required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02 percent of the average annual net assets of the scheme.

	Note	Un-Audited September 30 2020	Audited June 30 2020
		(Rupees in '000)	
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		**444**	336
National Clearing Company of Pakistan Limited clearing charges payable		**35**	25
Withholding tax payable		**34**	9,623
Provision against Sindh Workers Welfare Fund	12.1	**4,880**	4,714
Others		**735**	425
		6,128	15,123

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

"

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

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on May 21, 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs.500,000 or more in any year of account commencing on or after the date of closing of account on or after December 31, 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on an opinion obtained by the Mutual Funds Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay Sindh WWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters during financial year ended June 30, 2017. Based on such legal advice (which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited), MUFAP had recommended to all its members to reverse the Federal WWF and start recording of Sindh WWF. Consequently, the Fund has recorded provision of Rs.0.166 million (June 30, 2020: 1.554 million) for the period and Rs.4.880 million (June 30, 2020: Rs.4.174 million) in aggregate in respect of SWWF.

Had the provision against SWWF not been made, the net assets value per unit would have been higher by Re. 0.336 per unit (June 30, 2020: Re. 0.369 per unit).

13. CONTINGENCIES AND COMMITMENTS

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

		Un-Audited September 30 2020	Audited June 30 2020
		(Rupees in '000)	
13.1	Sale of listed equity securities in future (for spread transactions)	98,071	-

14. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (Minimum Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the year, Management Company has distributed cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

15. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

16. TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the period ended September 30, 2020 is 2.39% (2019: 2.43%) which includes 0.33% (2019: 0.44%) representing government levies such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Aggressive Fixed Income Scheme.

	Note	Un-Audited September 30 2020	Audited June 30 2020
		(Rupees in '000)	
17. CASH AND CASH EQUIVALENTS			
Bank balances	5	**21,410**	8,265
Market treasury bills (having original maturity upto 3 months)	6.3	**90,953**	19,861
		112,363	28,126

18. TRANSACTIONS WITH CONNECTED PERSONS

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

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."

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

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:

18.1 Details of transactions with related parties / connected persons during the period are as follows:

	Un-Audited Quarter ended September 30 2020	2019
	(Rupees in '000)	
AKD Investment Management Limited - Management Company		
Management fee-net	**2,579**	2,127
Sindh sales tax on management fee	**335**	276
Allocated expenses	**258**	142
Sales load	**8**	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	**129**	106
CDC charges	**10**	3
Sindh Sales tax on trustee remuneration	**17**	14

		Un-Audited September 30 2020	Audited June 30 2020
		(Rupees in '000)	
18.2	**Details of balances with related parties / connected persons as at period end**		
	AKD Investment Management Limited - Management Company		
	Management remuneration payable	**906**	818
	Sindh Sales tax payable on management remuneration	**118**	106
	Federal excise duty payable on management remuneration	**4,141**	4,141
	Payable against allocated expenses	**204**	55
	Others	**56**	50
	AKD Investment Management Limited - Staff Provident Fund		
	Outstanding 18,478 (June 30, 2020: 18,478) units	**955**	943
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration payable	**45**	41
	Settlement charges payable	**7**	1
	Sindh Sales Tax payable on trustee remuneration and settlement charges	**7**	5
	Security deposit	**100**	100
	Unit holder holding 10% or more of the units in issue		
	National Bank of Pakistan Employees Pension Fund		
	Outstanding 9,222,516 (June 30, 2020: 9,222,516) units	**476,598**	470,889
	Sindh Province Pension Fund		
	Outstanding 1,557,347 (June 30, 2020: 1,557,347) units	**80,480**	79,516

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

	As at September 30, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	---------------- Rupees in '000 ---------------			
Investment in securities - at fair value through profit or loss				
- Debt securities - Term finance certificates	**-**	**162,013**	**-**	**162,013**
- Government Securities	**-**	**451,822**	**-**	**451,822**
- Equity securities (Spread Transactions)	**88,571**	-	**-**	**88,571**
	88,571	**613,835**	**-**	**702,406**

	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
ASSETS	---------------- Rupees in '000 ---------------			
Investment in securities - at fair value through profit or loss				
- Debt securities - Term finance certificates		163,201	-	163,201
- Government Securities	-	438,991	-	438,991
	-	602,192	-	602,192

There were no transfers between various levels of fair value hierarchy during the period.

20. GENERAL

20.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

20.2 Comparative figures have been reclassified where necessary for better presentation and comparison.

21. DATE OF AUTHORISATION FOR ISSUE

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

For AKD Investment Management Limited
(Management Company)

Abdul Karim	**Imran Motiwala**	**Muhammad Munir Abdullah**
Chairman	Chief Executive Officer	Chief Financial Officer

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