

Alfalah
Islamic Money Market Fund

FUND INFORMATION

Management Company:	Alfalah Asset Management Limited
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khaled Khanfer Mr. Farooq Ahmed Khan Mr. Zaigham Sheriff Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee (BAC)	Mr. Khaled Khanfer Mr. Farooq Ahmed Khan Mr. Khalilullah Shaikh
Business Risk Management Committee (BRMC)	Mr. Khaled Khanfer Mr. Farooq Ahmed Khan Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO)
Human Resource & Remuneration Committee (HRRC)	Mr. Farooq Ahmed Khan Mr. Zaigham Sheriff Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Board Investment Committee (BIC)	Mr. Farooq Ahmed Khan Mr. Sohail Sultan Ms. Ayesha Aziz
Company Secretary:	Mr. Saad Haseeb Qureshi
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Faysal Bank Limited United Bank Limited Bank Al-Falah Limited Bank Al-Habib Limited Allied Bank limited The Bank of Punjab
Auditors:	Yousuf Adil Chartered Accountants. Cavish Court, A-35 Shahrah-e-Faisal Road, Bangalore Town Block A Bangalore Town, Karachi
Legal Advisor:	Mohsin Tayebaly & Co. 1st Floor, Dime Centre, BC-4, Block-9, Kehkashan, Clifton, Karachi – 75600. Pakistan.
Registrar:	Alfalah Asset Management Limited Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah Islamic Money Market Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Shariah Compliant (Islamic) Income Scheme

Investment Objective

The objective of Alfalah Islamic Money Market Fund (AIMMf) is to provide competitive returns and to meet liquidity needs of investors by providing investors a daily dividend by investing in low risk and highly liquid Shari'ah Compliant money market instruments.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration shariah compliant fixed income instruments within the guidelines provided under NBFC rules.

Money Market Review

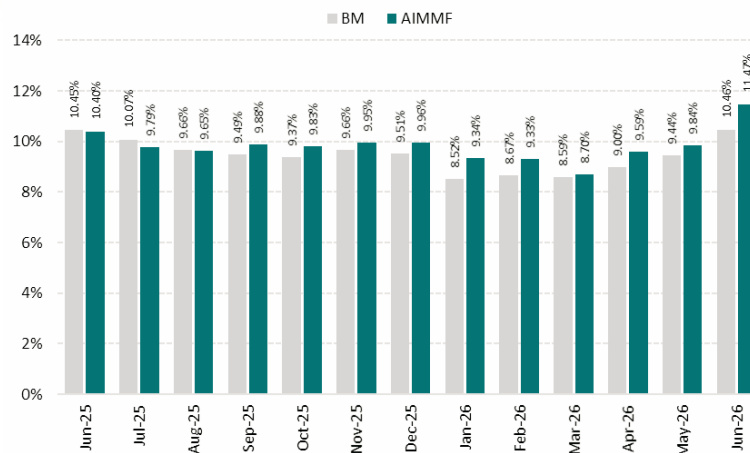
Pakistan's money market remained relatively resilient during the first half of 2026, although market conditions became increasingly volatile amid evolving inflation expectations, geopolitical developments, and changing monetary policy outlook. Strong liquidity in the banking system and healthy demand for government securities continued to support participation in Treasury Bill (MTB), Pakistan Investment Bond (PIB), and Government Ijarah Sukuk (GIS) auctions during the early part of the period.

However, persistent core inflation, rising imports, elevated global energy prices, and heightened geopolitical tensions in the Middle East led to renewed inflationary concerns and a reassessment of monetary policy expectations. In response, the State Bank of Pakistan (SBP) increased the policy rate by 100 basis points to 11.50% in April 2026 after having maintained the policy rate at 10.50% at the start of the year. Earlier in the period, the SBP also reduced the Cash Reserve Requirement (CRR) by 100 basis points to improve liquidity conditions within the banking system.

Money market yields remained volatile throughout the period. At the start of the year, Treasury Bill yields stood at 10.4859%, 10.4878%, 10.4799%, and 10.4880% for the 1-month, 3-month, 6-month, and 12-month tenors, respectively. Following a relatively stable start to the year, yields moved higher after the April policy rate hike as markets adjusted to tighter monetary conditions. Towards the end of June 2026, easing geopolitical tensions and moderating inflation expectations contributed to some correction in yields; however, they remained above the levels seen at the beginning of the year, closing at 11.7538%, 11.7031%, 11.7239%, and 11.7557% for the 1-month, 3-month, 6-month, and 12-month Treasury Bills, respectively. Government securities continued to attract strong investor demand throughout the period, reflecting ample liquidity in the banking sector and sustained confidence in sovereign instruments. While monetary tightening temporarily lifted yields, improving macroeconomic conditions and easing external risks supported a moderation in yields by the end of June 2026.

Fund Performance

During the year, the fund generated a return of 10.22% compared to the benchmark 9.37%.



Assets Allocation



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	3.1%	A1+	4.1%
AAA	19.5%	A1	8.9%
AA+	62.0%	A-	0.0%
AA	0.1%	BBB+	0.0%
AA-	0.0%	BBB	0.0%
A+	0.9%	IG	0.0%
A	0.0%	NR	1.3%

⇒ **Description and explanation of any significant changes in the state of 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 year under review.

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

There were no unit splits during the period.

⇒ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

⇒ **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 dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpk.com
Email: info@cdc-pak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH ISLAMIC MONEY MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Islamic Money Market Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 01, 2026



September 17, 2026

AHSA/SSR/AAML/AIMMF/610



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 2026, comply with the provided Shariah guidelines. Therefore, it is resolved that Alfalah Islamic Money Market Fund (AIMMF) managed by Alfalah Asset Management Limited is Compliant and in accordance with Shariah principles.

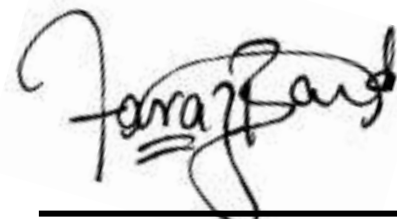
During the year, Alfalah Islamic Money Market Fund (AIMMF) did not book any charity amount.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited and Alfalah Asset Management Limited.



Mufti Irshad Ahmad Aijaz
Chairman Shariah Council



Faraz Younus Bandukda, CFA
Chief Executive



Mufti Javed Ahmed
Shariah Board Member
Alfalah Asset Management Limited

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To The Board of Directors of Alfalah Asset Management Limited (Management Company of Alfalah Islamic Money Market Fund)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of **Alfalah Islamic Money Market Fund (the Fund)** for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- a) legal and regulatory framework administered by the SECP;
- b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;
- c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;
- d) guidance and recommendations of the Shariah advisory committee, as notified by the SECP; and
- e) approvals, rulings or pronouncements of Shariah Supervisory board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above.

Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended June 30, 2026, which are annexed.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts, and transactions, having Shariah implications, entered into by the Fund with its unit holders, other financial institutions and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM -1), which requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

5. Our Responsibility and Summary of the Work Performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications, with Shariah principles in all material respects for the year ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts, and transactions for the year ended June 30, 2026, are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Shafqat Ali**.



Yousuf Adil
Chartered Accountants

Date: September 22, 2026
Place: Karachi

INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of Alfalah Islamic Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah Islamic Money Market Fund** (the Fund), which comprise the statement of assets and liabilities as at **June 30, 2026**, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and Alfalah Asset Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Valuation and existence of investments As disclosed in note 6 to the financial statements, the investments held by the Fund amounts to Rs. 22,410.64 million as at June 30, 2026. The total investment amount is a significant account balance on the statement of assets and liabilities. The Fund invests primarily in government securities (i.e. Ijara Sukuk Certificate), Certificate of Musharakah, Certificate of Mudarabah, Term Deposit Receipts and Bai Muajjal Receivable which are one of the main drivers and indicators of the Fund's performance and there is a risk that these investments are incorrectly valued.	In this respect, we performed the following procedures: - reviewed the processes and key controls relating to existence and valuation and evaluated the design and implementation of such controls; - tested existence of investments from the Central Depository Company (CDC) / Investor Portfolio Services (IPS) account statement; - reviewed agreements of Bai Muajjal, Musharakah, and Mudarabah and traced receipts to the bank statements.

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S. No.	Key audit matter	How the matter was addressed in our audit
	In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end. In view of the above, we have considered the valuation and existence of investments as a Key Audit Matter. The disclosures regarding investments are included in notes 4.2 and 6 of the financial statements.	- tested valuation of investments held as at June 30, 2026 by verifying the average rates quoted on a widely used electronic quotation system (PKISRV) rates and prices quoted at Pakistan Stock Exchange Limited; - evaluated the adequacy of disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Management Company (Alfalsh Asset Management Limited) is responsible for the other information. The other information comprises the information included in the annual report in respect of the Fund, but does not include the financial statements of the Fund, our auditor's report thereon and the information related to any other fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

The Management Company (Alfalsh Asset Management Limited) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, The Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

YA

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this Independent auditor's report is **Arif Nazeer**.


Chartered Accountants

Place: Karachi

Date: September 29, 2026

UDIN: AR202610099TtiaHvAnN

ALFALAH ISLAMIC MONEY MARKET FUND**STATEMENT OF ASSETS AND LIABILITIES***As AT JUNE 30, 2026*

	Note	2026 ----- Rupees -----	2025
ASSETS			
Balances with banks	5	31,904,529,706	26,062,822,782
Investments	6	22,410,593,911	36,951,513,721
Advances, deposits, prepayments and other receivables	7	522,468,824	486,698,833
Preliminary expenses and floatation costs	8	132,988	555,817
Total assets		54,837,725,429	63,501,591,153
LIABILITIES			
Payable to Alfalah Asset Management Limited - Management Company	9	30,404,154	118,344,601
Payable to Central Depository Company of Pakistan Limited - Trustee	10	4,480,402	5,302,490
Payable to the Securities and Exchange Commission of Pakistan	11	3,435,031	3,918,304
Dividend payable		38,824,611	2,644,301
Accrued expenses and other liabilities	12	706,355,761	543,560,194
Total liabilities		783,499,959	673,769,890
NET ASSETS		54,054,225,470	62,827,821,263
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		54,054,225,470	62,827,821,263
Contingencies and commitments	13		
Number of units			
Number of units in issue		537,174,515	626,218,536
Rupees			
Net asset value per unit		100.6269	100.3289

The annexed notes from 1 to 26 and the Annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC MONEY MARKET FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
		Rupees	
Income	Note		
Profit on bank balances		2,279,866,893	1,472,922,896
Income on certificates of musharakah		647,531,972	615,227,122
Income on term deposit mudarabah		162,086,671	200,537,226
Income on term deposit receipts		302,084,931	125,280,822
Income on certificates of Islamic investment		27,611,507	-
Income on short term sukuk certificates		1,042,921,279	1,219,130,419
Income on bai muajjal		2,483,428,983	4,488,208,877
Income on Government of Pakistan ijarah sukuks		699,114,687	1,919,669,543
(Loss) / gain on sale of investments - net		(51,999,300)	32,603,322
Unrealised diminution on re-measurement of investments classified at 'fair value through profit or loss' - net	6.9	(8,813,701)	(228,566)
Other income		1,725,911	450,000
Total income		7,585,559,833	10,073,801,661
Expenses			
Remuneration of Alfalah Asset Management Limited - Management Company	9.1	408,297,169	506,226,663
Sindh Sales Tax on remuneration of the Management Company	9.2	61,244,576	75,933,015
Allocated expenses		-	8,081,098
Sindh Sales Tax on allocated expenses		-	1,212,164
Selling and marketing expenses		-	136,376,424
Sindh Sales Tax on selling and marketing expenses		-	20,456,464
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	39,510,587	39,487,890
Sindh Sales Tax on remuneration of the trustee	10.2	5,926,588	5,922,353
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	53,876,905	53,845,439
Fees and subscription		558,133	1,232,200
Brokerage expense		4,847,316	11,367,466
Auditor's remuneration	14	940,896	855,360
Legal and professional charges		149,539	145,475
Bank and settlement charges		12,402	102,260
Printing charges		-	13,000
CDS charges		3,357	1,448,534
Shariah advisory fee		162,000	1,044,222
Annual listing fee		31,250	86,375
Amortisation of preliminary expenses and floatation cost	8	422,829	199,655
Total expenses		575,983,547	864,036,057
Net income for the year before taxation		7,009,576,286	9,209,765,604
Taxation	17	-	-
Net income for the year after taxation		7,009,576,286	9,209,765,604
Earnings per unit	18		
Allocation of net income for the year			
Net income for the year after taxation		7,009,576,286	9,209,765,604
Income already paid on units redeemed		(6,512,919,115)	(8,685,084,569)
		496,657,171	524,681,035
Accounting income available for distribution			
- Relating to capital gain		-	32,374,756
- Excluding capital gain		496,657,171	492,306,279
		496,657,171	524,681,035

The annexed notes from 1 to 26 and the Annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	Rupees	
Net income for the year after taxation	7,009,576,286	9,209,765,604
Other comprehensive income for the year	-	-
Total comprehensive income for the year	7,009,576,286	9,209,765,604

The annexed notes from 1 to 26 and the Annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC MONEY MARKET FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees			Rupees		
Net assets at the beginning of the year	62,689,327,412	138,493,851	62,827,821,263	27,493,203,358	56,022,382	27,549,225,740
Issuance of 2,459,161,161 units (2025: 3,083,497,982 units)						
- Capital value (at ex-net asset value per unit at the beginning of the year)	246,724,951,522	-	246,724,951,522	308,994,249,278	-	308,994,249,278
- Element of income	10,893,370,085	-	10,893,370,085	20,598,215,320	-	20,598,215,320
Total proceeds on issuance of units	257,618,321,607	-	257,618,321,607	329,592,464,598	-	329,592,464,598
Redemption of 2,548,205,182 units (2025: 2,732,197,202 units)						
- Capital value (at ex-net asset value per unit at the beginning of the year)	(255,658,640,731)	-	(255,658,640,731)	(273,790,749,415)	-	(273,790,749,415)
- Element of loss	(8,911,064,427)	(6,512,919,115)	(15,423,983,542)	(16,553,817,102)	(8,685,084,569)	(25,238,901,671)
Total payments on redemption of units	(264,569,705,158)	(6,512,919,115)	(271,082,624,273)	(290,344,566,517)	(8,685,084,569)	(299,029,651,086)
Total comprehensive income for the year	-	7,009,576,286	7,009,576,286	-	9,209,765,604	9,209,765,604
Distributions during the year						
Distribution for the year ended June 30, 2025 at the rate of Rs. 14.0266 per unit	-	-	-	(4,051,774,027)	(442,209,566)	(4,493,983,593)
Distribution for the year ended June 30, 2026 at the rate of Rs. 9.9307 per unit	(1,900,576,462)	(418,292,951)	(2,318,869,413)	-	-	-
Net assets at the end of the year	53,837,367,399	216,858,071	54,054,225,470	62,689,327,412	138,493,851	62,827,821,263
	Rupees			Rupees		
Undistributed income brought forward						
- Realised income		138,722,417			46,305,797	
- Unrealised income		(228,566)			9,716,585	
		138,493,851			56,022,382	
Accounting income available for distribution						
- Relating to capital gain		-			32,374,756	
- Excluding capital gain		496,657,171			492,306,279	
		496,657,171			524,681,035	
Distributions during the year		(418,292,951)			(442,209,566)	
Undistributed income carried forward		216,858,071			138,493,851	
Undistributed (loss) carried forward						
- Realised income		225,671,772			138,722,417	
- Unrealised (loss)		(8,813,701)			(228,566)	
		216,858,071			138,493,851	
Net asset value per unit at the beginning of the year / period		100.3289			100.2090	
Net asset value per unit at the end of the year		100.6269			100.3289	

The annexed notes from 1 to 26 and the Annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC MONEY MARKET FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		7,009,576,286	9,209,765,604
Adjustments for:			
Unrealised diminution / (appreciation) on re-measurement of investments classified at 'fair value through profit or loss' - net	6.9	8,813,701	228,566
Amortisation of preliminary expenses and floatation cost	8	422,829	199,655
		7,018,812,816	9,210,193,825
Decrease / (Increase) in assets			
Investments - net		3,835,638,062	(6,156,214,413)
Advances, deposits, prepayments, profit and other receivables		(35,769,991)	(196,533,234)
		3,799,868,071	(6,352,747,647)
Increase in liabilities			
Payable to Alfalah Asset Management Limited - Management Company		(87,940,447)	71,593,668
Payable to Central Depository Company of Pakistan Limited - Trustee		(822,088)	3,448,684
Payable to the Securities and Exchange Commission of Pakistan		(483,273)	2,483,002
Accrued expenses and other liabilities		162,795,567	412,968,931
		73,549,759	490,494,285
Net cash flows generated from operating activities		10,892,230,646	3,347,940,463
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units - net of refund of capital		255,717,745,145	325,540,690,571
Payments made against redemption of units		(271,082,624,273)	(299,039,815,856)
Dividend paid		(382,112,641)	(451,480,333)
Net cash flows (used in) / generated from financing activities		(15,746,991,769)	26,049,394,382
Net increase in cash and cash equivalents during the year		(4,854,761,123)	29,397,334,845
Cash and cash equivalents at the beginning of the year		46,559,290,829	17,161,955,984
Cash and cash equivalents at the end of the year	15	41,704,529,706	46,559,290,829

The annexed notes from 1 to 26 and the Annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah Islamic Money Market Fund (the Fund) an open-end collective investment scheme was established through a Trust Deed under the Sindh Trust Act, 2020, executed between Alfalah Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on April 5, 2023, and was approved by Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Financial Company (Establishment and Regulation) Rules, 2003 (NBFC Rules) and Notified Entities Regulations, 2008, (the NBFC Regulations).
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry and Agricultural Building, 2nd Floor ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
- 1.3** The Fund has been categorised as a 'Shariah Compliant Money Market Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of Alfalah Islamic Money Market Fund (AIMMF) is to generate regular and stable returns by investing primarily in shariah compliant Banks and Islamic windows of conventional banks and any other shariah compliant money market instruments.
- 1.5** VIS Credit Rating Company Limited has assigned an asset manager rating of AM1 (stable outlook) to the Management Company on January 26, 2026 (2025: AM1 dated January 2, 2025). PACRA has assigned a stability rating of AA(f) to the Fund on June 24, 2026 (2025: AA(f) on March 07, 2025).
- 1.6** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These 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:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

2.1.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain financial assets are measured at fair value.

2.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the functional and presentation currency of the Fund. All figures have been rounded off to the nearest Pakistani Rupee, unless otherwise stated.

2.3 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. Information about the judgments made by management in the application of the accounting policies, that have the most significant effect on the amount recognised in these financial statements, are given below:

- (i) Classification and measurement of financial assets (notes 4.2.1, 4.2.2 and 6); and
- (ii) Impairment of financial assets (note 4.2.3).

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, therefore, not been disclosed in these financial statements.

3.2 New approved accounting standards, amendments and IFRS interpretations that are not yet effective

There are certain new standards and amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2026. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027, by IASB and SECP. IFRS 18 shall impact the presentation of "Income Statement" with certain additional disclosures in the financial statements.
- Amendments to IFRS 9 'Financial Instruments' which clarifies the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash, are subject to insignificant change in value, and are held for the purpose of meeting short term cash commitments.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or liabilities, as appropriate, on initial recognition. Transaction costs pertaining to financial assets or financial liabilities at fair value through profit or loss are recognised in the income statement.

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- At amortised cost ("AC");
- At fair value through other comprehensive income ("FVTOCI"); and
- At fair value through profit or loss ("FVTPL").

IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

Financial asset at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL;

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

Financial asset at FVTOCI

A financial asset is classified at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an Equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, and only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

Financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statement. In case of Equity instrument, when the financial asset is derecognised there is no subsequent reclassification of fair value gains and losses to income statement.

Financial asset at FVTPL

All other financial assets are classified as FVTPL (for example: equity securities held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- At amortised cost ("AC"); and
 - At fair value through profit or loss ("FVTPL").
-

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in income statement.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to income statement.

4.2.3 Impairment of financial assets

Under expected credit loss (ECL) model of IFRS 9, the Fund recognises loss allowances for ECLs on financial assets other than debt securities. The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of International Financial Reporting Standard (IFRS) 9 'Financial Instruments' in relation to debt securities for mutual funds. Accordingly, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. As allowed under circular no. 13 of 2009 dated May 04, 2009 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

4.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.5 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market (other than GoP ijarah sukuk) are valued at the average rates quoted on a widely used electronic quotation system (PKISRV rates), which are based on the remaining tenor of the securities.

The government securities listed on stock exchange (for example Listed GoP Ijarah sukuk) are valued on their prices quoted on the Pakistan Stock Exchange Limited at reporting date.

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP).

In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non performing debt securities.

4.2.6 Regular way contract

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

4.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Collaterals

Collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies such collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

4.6 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

The Fund is also exempt from the provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, to its unit holders.

4.7 Distributions to unit holders

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP's) guidelines (duly consented upon by the SECP), distribution for the year is deemed to comprise of the portion of amount of income already paid on units redeemed during the year.

Distributions declared subsequent to the year-end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted for the effect of refund of capital, if any, based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the year of investment.

4.8 Issuance and redemption of units

Units issued are recorded at the offer price, prevalent on the day on which the applications for purchase of units are received, however, units are issued on the receipt of cash / realisation of cheques. The offer price represents the net asset value per unit as at the close of the business day plus the allowable front-end sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the Management Company receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the Management Company may consider to be an appropriate provision of duties and charges, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.9 Element of income / (loss) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.10 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units of the Fund in circulation at the year-end.

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit / return on investments in debt and government securities is recognised using effective interest method.
- Profit on bank balances, placements and term deposits are recognised on accrual basis.

4.12 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

4.13 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the fund. These costs are being amortised over a period of 5 year in accordance with the requirements set out in the Trust Deed of the Fund.

5	Balances with banks	Note	2026 ----- Rupees -----	2025 -----
	Current accounts		3,002,775,950	-
	Savings accounts	5.1	28,901,753,756	26,062,822,782
			<u>31,904,529,706</u>	<u>26,062,822,782</u>

- 5.1 These accounts carry profit rates ranging from 9.75% to 12.50% (2025: 9.25% to 11.00%) per annum. These include bank balance of Rs 2.12 billion (2025: Rs 10.32 billion) which is maintained with Bank Alfalah Limited (a related party) which carries a profit rate of 9.75% (2025: 10.25%) per annum.

6 INVESTMENTS

	Note	2026 ----- Rupees -----	2025 -----
At fair value through profit or loss			
Certificate of musharaka	6.1	-	-
Term deposit mudarabah	6.2	-	-
Term deposits receipts	6.3	9,800,000,000	-
Certificate of Islamic Investment	6.4	-	-
Short term sukuk certificates	6.5	7,602,000,000	11,451,000,000
Bai muajjal receivable	6.6	3,290,622,577	24,474,159,413
Government of Pakistan ijarah sukuks	6.7	1,717,971,334	1,026,354,308
		<u>22,410,593,911</u>	<u>36,951,513,721</u>

Certificate of musharakah

Name of the Issuer	Profit rate	Issue date	Maturity date	Face value				Market Value as at June 30, 2026	Market value as a per centage of	
				As at July 1, 2025	Purchased during the year	Matured during the year	As at June 30, 2026		Net assets of the Fund	Total investments of the Fund
				Rupees					%	
Allied Bank Limited Islamic Banking (A1+, PACRA)	10.50%	August 8, 2025	August 15, 2025	-	3,000,000,000	3,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.25%	August 15, 2025	August 18, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.45%	August 25, 2025	August 26, 2025	-	800,000,000	800,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	10.55%	August 28, 2025	September 5, 2025	-	4,405,000,000	4,405,000,000	-	-	-	-
Faysal Bank Limited - Islamic Banking (A1+, PACRA)	10.50%	September 5, 2025	September 12, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-
Habib Bank Ltd - Islamic Banking (A1+, VIS)	10.60%	September 5, 2025	September 12, 2025	-	2,900,000,000	2,900,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.60%	October 6, 2025	October 8, 2025	-	600,000,000	600,000,000	-	-	-	-
Pakistan Mortgage Refinance Company Limited (A1+, VIS)	10.75%	October 16, 2025	January 15, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.60%	October 24, 2025	October 30, 2025	-	2,300,000,000	2,300,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	10.50%	October 27, 2025	October 28, 2025	-	2,900,000,000	2,900,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	10.50%	October 28, 2025	October 29, 2025	-	3,000,000,000	3,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.57%	October 30, 2025	November 3, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.60%	October 31, 2025	November 6, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.60%	October 31, 2025	November 5, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	10.55%	November 6, 2025	November 14, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.55%	November 7, 2025	November 13, 2025	-	3,000,000,000	3,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.60%	November 10, 2025	November 13, 2025	-	3,500,000,000	3,500,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	10.55%	November 12, 2025	November 14, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.50%	November 13, 2025	November 17, 2025	-	3,000,000,000	3,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.50%	November 13, 2025	November 17, 2025	-	3,000,000,000	3,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.60%	November 14, 2025	November 20, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-
Habib Bank Ltd - Islamic Banking (A1+, VIS)	10.80%	November 20, 2025	November 21, 2025	-	3,300,000,000	3,300,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.65%	November 21, 2025	November 27, 2025	-	5,000,000,000	5,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.60%	November 24, 2025	December 1, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.60%	November 27, 2025	December 4, 2025	-	850,000,000	850,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.35%	November 28, 2025	December 1, 2025	-	3,500,000,000	3,500,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.60%	December 1, 2025	December 4, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.60%	December 1, 2025	December 4, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.65%	December 2, 2025	December 9, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.65%	December 3, 2025	December 10, 2025	-	2,800,000,000	2,800,000,000	-	-	-	-
Habib Bank Ltd - Islamic Banking (A1+, VIS)	10.65%	December 4, 2025	December 5, 2025	-	3,000,000,000	3,000,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	10.55%	December 10, 2025	December 11, 2025	-	5,000,000,000	5,000,000,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking (A1+, PACRA)	10.55%	December 18, 2025	December 19, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-
Habib Bank Ltd - Islamic Banking (A1+, VIS)	10.35%	December 23, 2025	December 24, 2025	-	4,000,000,000	4,000,000,000	-	-	-	-
UBL Ameen (Islamic Banking) (A1+, VIS)	10.25%	December 26, 2025	December 30, 2025	-	4,000,000,000	4,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.20%	December 26, 2025	December 30, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-
Habib Bank Ltd - Islamic Banking (A1+, VIS)	10.35%	December 30, 2025	December 31, 2025	-	3,500,000,000	3,500,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.15%	December 31, 2025	January 2, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-
UBL Ameen (Islamic Banking) (A1+, VIS)	10.25%	January 6, 2026	January 8, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	10.10%	January 7, 2026	January 8, 2026	-	6,000,000,000	6,000,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	10.10%	January 8, 2026	January 12, 2026	-	5,000,000,000	5,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	9.75%	January 13, 2026	January 14, 2026	-	6,000,000,000	6,000,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	9.75%	January 14, 2026	January 15, 2026	-	5,000,000,000	5,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	8.90%	January 15, 2026	January 16, 2026	-	10,000,000,000	10,000,000,000	-	-	-	-
Faysal Bank Limited - Islamic Banking (A1+, PACRA)	10.00%	January 16, 2026	January 23, 2026	-	11,500,000,000	11,500,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	9.85%	January 16, 2026	January 20, 2026	-	6,000,000,000	6,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	9.90%	January 19, 2026	January 26, 2026	-	5,500,000,000	5,500,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	9.60%	January 20, 2026	January 21, 2026	-	6,000,000,000	6,000,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	10.10%	January 22, 2026	January 27, 2026	-	6,000,000,000	6,000,000,000	-	-	-	-
UBL Ameen (Islamic Banking) (A1+, VIS)	10.05%	January 23, 2026	January 27, 2026	-	3,700,000,000	3,700,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	9.90%	January 23, 2026	January 27, 2026	-	400,000,000	400,000,000	-	-	-	-
UBL Ameen (Islamic Banking) (A1+, VIS)	10.20%	January 27, 2026	January 30, 2026	-	8,000,000,000	8,000,000,000	-	-	-	-

Name of the Issuer	Profit rate	Issue date	Maturity date	Face value				Market Value as at June 30, 2026	Market value as a percentage of	
				As at July 1, 2025	Purchased during the year	Matured during the year	As at June 30, 2026		Net assets of the Fund	Total investments of the Fund
				Rupees				%		
Meezan Bank Limited (A1+, VIS)	10.15%	January 27, 2026	February 3, 2026	-	10,000,000,000	10,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.15%	January 27, 2026	February 3, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.15%	January 29, 2026	February 2, 2026	-	2,800,000,000	2,800,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	10.00%	January 29, 2026	January 30, 2026	-	5,200,000,000	5,200,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	9.00%	January 30, 2026	February 2, 2026	-	7,000,000,000	7,000,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	10.05%	February 2, 2026	February 9, 2026	-	9,100,000,000	9,100,000,000	-	-	-	-
UBL Ameen (Islamic Banking) (A1+, VIS)	10.20%	February 2, 2026	February 13, 2026	-	8,000,000,000	8,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.20%	February 2, 2026	April 30, 2026	-	2,800,000,000	2,800,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.20%	February 3, 2026	May 4, 2026	-	2,700,000,000	2,700,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.20%	February 3, 2026	March 5, 2026	-	6,000,000,000	6,000,000,000	-	-	-	-
Meezan Bank Limited (A1+, VIS)	10.20%	February 3, 2026	March 5, 2026	-	2,200,000,000	2,200,000,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking (A1+, PACRA)	10.75%	February 4, 2026	February 6, 2026	-	6,000,000,000	6,000,000,000	-	-	-	-
Habib Bank Ltd - Islamic Banking (A1+, VIS)	10.25%	February 9, 2026	February 12, 2026	-	10,000,000,000	10,000,000,000	-	-	-	-
Habib Bank Ltd - Islamic Banking (A1+, VIS)	10.25%	February 9, 2026	February 12, 2026	-	2,000,000,000	2,000,000,000	-	-	-	-
Pak Kuwait Islamic Finance Division (A1+, PACRA)	10.10%	February 10, 2026	March 12, 2026	-	4,100,000,000	4,100,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	10.15%	February 16, 2026	February 27, 2026	-	10,000,000,000	10,000,000,000	-	-	-	-
UBL Ameen (Islamic Banking) (A1+, VIS)	10.30%	February 16, 2026	February 27, 2026	-	8,000,000,000	8,000,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	10.30%	March 4, 2026	March 5, 2026	-	10,000,000,000	10,000,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	10.35%	March 5, 2026	March 6, 2026	-	10,000,000,000	10,000,000,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking (A1+, PACRA)	10.45%	March 9, 2026	March 12, 2026	-	5,000,000,000	5,000,000,000	-	-	-	-
UBL Ameen (Islamic Banking) (A1+, VIS)	10.40%	March 9, 2026	March 13, 2026	-	5,000,000,000	5,000,000,000	-	-	-	-
Faysal Bank Limited - Islamic Banking (A1+, PACRA)	10.40%	March 17, 2026	March 18, 2026	-	10,000,000,000	10,000,000,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking (A1+, PACRA)	10.50%	March 18, 2026	March 19, 2026	-	3,500,000,000	3,500,000,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking (A1+, PACRA)	10.30%	March 24, 2026	March 25, 2026	-	3,800,000,000	3,800,000,000	-	-	-	-
Habib Metropolitan Bank Ltd - Islamic Banking (A1+, PACRA)	10.55%	April 16, 2026	April 20, 2026	-	5,000,000,000	5,000,000,000	-	-	-	-
Allied Bank Limited Islamic Banking (A1+, PACRA)	11.40%	May 4, 2026	May 8, 2026	-	10,500,000,000	10,500,000,000	-	-	-	-
Habib Metropolitan Bank Ltd - Islamic Banking (A1+, PACRA)	11.40%	May 4, 2026	May 5, 2026	-	7,000,000,000	7,000,000,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking (A1+, PACRA)	11.40%	May 5, 2026	May 6, 2026	-	10,000,000,000	10,000,000,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking (A1+, PACRA)	11.50%	May 6, 2026	May 8, 2026	-	10,000,000,000	10,000,000,000	-	-	-	-
Habib Metropolitan Bank Ltd - Islamic Banking (A1+, PACRA)	11.50%	May 6, 2026	May 8, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-
Total as at June 30, 2026							-	-	-	-
Total as at June 30, 2025							-	-	-	-

Term deposit receipts

Name of investee company	Profit rate	Issue Date	Maturity date	Face value				Market Value as at June 30, 2026	Market value as a percentage of	
				As at July 1, 2025	Purchased during the year	Matured during the year	As at June 30, 2026		Net assets of the Fund	Total investments of the Fund
				Rupees				%		
Bank Alfalah Limited (A1+, PACRA)	10.7%	September 12, 2025	October 13, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.4%	January 2, 2026	February 2, 2026	-	6,000,000,000	6,000,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.2%	February 23, 2026	March 9, 2026	-	8,000,000,000	8,000,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.2%	February 27, 2026	March 13, 2026	-	2,000,000,000	2,000,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.4%	March 12, 2026	April 13, 2026	-	5,000,000,000	5,000,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.4%	March 13, 2026	April 13, 2026	-	2,000,000,000	2,000,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.7%	March 25, 2026	April 1, 2026	-	4,000,000,000	4,000,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.9%	April 20, 2026	May 4, 2026	-	9,500,000,000	9,500,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	12.0%	June 3, 2026	July 3, 2026	-	9,800,000,000	-	9,800,000,000	9,800,000,000	18.13%	43.73%
Total as at June 30, 2026				-	47,300,000,000	37,500,000,000	9,800,000,000	9,800,000,000	18.13%	43.73%
Total as at June 30, 2025				-	-	-	-	-	-	-

Certificate of Islamic investment

Name of investee company	Profit rate	Issue Date	Maturity date	Face value				Market Value as at June 30, 2026	Market value as a percentage of	
				As at July 1, 2025	Purchased during the year	Matured during the year	As at June 30, 2026		Net assets of the Fund	Total investments of the Fund
				----- Rupees -----				----- % -----		
Pakistan Mortgage Refinance Company Limited (A1+, VIS)	10.2%	February 4, 2026	May 5, 2026	-	1,100,000,000	1,100,000,000	-	-	-	-
Total as at June 30, 2026							-	-	-	-
Total as at June 30, 2025							-	-	-	-

Short term sukuks

Name of the investee company	Issue Date	Profit rate	Maturity date	As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Balance as at June 30, 2026		Market value as a percentage of	
								Carrying value	Market value	Net assets of the Fund	Total investments of the Fund
---- Number of certificates ----								----- Rupees -----		----- % -----	
K-Electric Limited Short Term Sukuk-30 (Sts-30) (A1+, VIS) Face value of Rs. 1,000,000 each	March 12, 2025	3M Kibor + 0%	September 12, 2025	726	-	726	-	-	-	0.00%	0.00%
Mahmood Textile Mills Limited Short Term Sukuk- 1 (A1, PACRA) * Face value of Rs. 1,000,000 each	March 17, 2025	6M Kibor + 0.75%	September 17, 2025	300	-	300	-	-	-	0.00%	0.00%
Pakistan Telecommunication Company Short Term Sukuk- 1 (A1+, VIS) Face value of Rs. 1,000,000 each	March 19, 2025	3M Kibor + 0.05%	September 19, 2025	750	-	750	-	-	-	0.00%	0.00%
Air Link Communication Limited Short Term Sukuk (A1, PACRA) * Face value of Rs. 1,000,000 each	March 25, 2025	6M Kibor + 1.75%	September 25, 2025	300	-	300	-	-	-	0.00%	0.00%
Pakistan Telecommunication Company Short Term Sukuk (A1+, VIS) Face value of Rs. 1,000,000 each	January 13, 2025	6M Kibor + 0.050%	July 14, 2025	1,500	-	1,500	-	-	-	0.00%	0.00%
Air Link Communication Limited Short Term Sukuk (A1, PACRA) * Face value of Rs. 1,000,000 each	January 20, 2025	6M Kibor + 1.75%	July 21, 2025	200	-	200	-	-	-	0.00%	0.00%
Pakistan Telecommunication Company Short Term Sukuk (A1+ VIS) Face value of Rs. 1,000,000 each	January 3, 2025	6M Kibor + 0.00%	July 3, 2025	375	-	375	-	-	-	0.00%	0.00%
RYK Mills Limited Short Term Sukuk Sts-1 (A1, VIS) Face value of Rs. 1,000,000 each	February 11, 2025	6M Kibor + 1.5%	August 11, 2025	450	-	450	-	-	-	0.00%	0.00%
Lucky Electric Power Company RYK Mills Limited Sts-1 Limited - Sukuk-21 (A1+, PACRA) Face value of Rs. 1,000,000 each	February 14, 2025	6M Kibor + 0%	August 15, 2025	900	-	900	-	-	-	0.00%	0.00%
Ismail Industries Limited Short Term Sukuk Certificate - 4th Issue (A1, PACRA) * Face value of Rs. 1,000,000 each	February 18, 2025	6M Kibor + 0.10%	August 18, 2025	1,200	-	1,200	-	-	-	0.00%	0.00%
Pakistan Mobile Communication Ltd Short Term Sukuk Cert. - 4th Issue (A1, PACRA) * Face value of Rs. 1,000,000 each	April 28, 2025	3M Kibor + 0.15%	October 28, 2025	900	-	900	-	-	-	0.00%	0.00%
Engro Fertilizers Limited Short Term Sukuk Certificates (8th Issue) (A1+, PACRA) Face value of Rs. 1,000,000 each	May 14, 2025	3M Kibor + 0.15%	November 14, 2025	1,000	-	1,000	-	-	-	0.00%	0.00%
Masood Spinning Mills Limited Short Term Sukuk Certificate (1st Issue) (A1, PACRA) * Face value of Rs. 1,000,000 each	May 21, 2025	6M Kibor + 0.75%	November 21, 2025	300	-	300	-	-	-	0.00%	0.00%
Mughal Iron & Steels Industries Limited Short Term Sukuk STS-1 (A1, PACRA) * Face value of Rs. 1,000,000 each	June 2, 2025	6M Kibor + 1.10%	December 2, 2025	300	-	300	-	-	-	0.00%	0.00%
K-Electric Limited Short Term Sukuk-30 (Sts-32) (A1+, VIS) * Face value of Rs. 1,000,000 each	June 12, 2025	6M Kibor + 0.00%	December 12, 2025	1,500	-	1,500	-	-	-	0.00%	0.00%
Pakistan Mobile Communication Ltd Short Term Sukuk Cert. - 12th Issue (A1, PACRA) Face value of Rs. 1,000,000 each	June 17, 2025	6M Kibor + 0.05%	December 17, 2025	750	-	750	-	-	-	0.00%	0.00%

Name of the investee company	Issue Date	Profit rate	Maturity date	As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Balance as at June 30, 2026		Market value as a percentage of	
								Carrying value	Market value	Net assets of the Fund	Total investments of the Fund
						--- Number of certificates ---			Rupees		%
Mahmood Textile Mills Limited Short Term Sukuk Certificate - 2nd Issue (A1, PACRA) * Face value of Rs. 1,000,000 each	July 7, 2025	6M Kibor + 0.7%	January 7, 2026	-	425	425	-	-	-	0.00%	0.00%
Pakistan Telecommunication Company Ltd Short Term Sukuk Cert-13th Issue (A1+, VIS) * Face value of Rs. 1,000,000 each	July 8, 2025	3M Kibor - 0.05%	January 8, 2026	-	750	750	-	-	-	0.00%	0.00%
Pakistan Telecommunication Company Ltd Short Term Sukuk Cert-14th Issue (A1+, VIS) * Face value of Rs. 1,000,000 each	July 11, 2025	3M Kibor - 0.05%	January 12, 2026	-	1,500	1,500	-	-	-	0.00%	0.00%
K-Electric Limited Short Term Sukuk-30 (Sts-33) (A1+, VIS) Face value of Rs. 1,000,000 each	July 23, 2025	3M Kibor - 0.1%	January 23, 2026	-	515	515	-	-	-	0.00%	0.00%
Ismael Industries Limited Short Term Sukuk Certificate - 5Th Issue (A1, PACRA) * Face value of Rs. 1,000,000 each	August 12, 2025	6M Kibor - 0.05%	February 12, 2026	-	500	500	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited Short Term Sukuk-22 (A1+, PACRA) * Face value of Rs. 1,000,000 each	August 18, 2025	3M Kibor - 0.15%	February 18, 2026	-	600	600	-	-	-	0.00%	0.00%
Pakistan Telecommunication Company Ltd Short Term Sukuk Cert-15th Issue (A1+, VIS) Face value of Rs. 1,000,000 each	September 18, 2025	3M Kibor + 0.05%	March 18, 2026	-	500	500	-	-	-	0.00%	0.00%
Bascon Impex (Private) Limited Short Term Sukuk (A1, PACRA) * Face value of Rs. 1,000,000 each	September 24, 2025	6M Kibor + 1.5%	March 24, 2026	-	150	150	-	-	-	0.00%	0.00%
Nishat Mills Limited Short Term Sukuk-3 (A1+, PACRA) Face value of Rs. 1,000,000 each	November 6, 2025	3M Kibor + 0.00%	May 6, 2026	-	1,050	1,050	-	-	-	0.00%	0.00%
Engro Fertilizers Limited Short Term Sukuk Certificates (7th Issue) (A1+, PACRA) Face value of Rs. 1,000,000 each	November 17, 2025	3M Kibor - 0.15%	May 17, 2026	-	1,000	1,000	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited Short Term Sukuk-22 (A1+, PACRA) Face value of Rs. 1,000,000 each	August 18, 2025	3M Kibor - 0.15%	February 18, 2026	-	300	300	-	-	-	0.00%	0.00%
Reon Energy Limited Short Term Sukuk Sts-1 (A1, PACRA) * Face value of Rs. 1,000,000 each	December 3, 2025	3M Kibor + 1.75%	June 3, 2026	-	60	60	-	-	-	0.00%	0.00%
Select Technologies Private Limited Short Term Sukuk Certificate - 4th Issue (A1, PACRA) Face value of Rs. 1,000,000 each	December 18, 2025	6M Kibor + 1.2%	June 18, 2026	-	300	300	-	-	-	0.00%	0.00%
Digital World Pakistan Private Limited Short Term Sukuk Sts-1 (A2, VIS) Face value of Rs. 1,000,000 each	December 29, 2025	3M Kibor + 1.25%	June 29, 2026	-	200	200	-	-	-	0.00%	0.00%
Daewoo Pakistan Express Bus Service Limited Short Term Sukuk Sts-1 (A1, PACRA) * Face value of Rs. 1,000,000 each	December 30, 2025	6M Kibor + 2.5%	June 30, 2026	-	300	300	-	-	-	0.00%	0.00%
Digital World Pakistan Private Limited Short Term Sukuk (A2, VIS) Face value of Rs. 1,000,000 each	January 15, 2026	3M Kibor + 1.25%	July 15, 2026	-	200	-	200	200,000,000	200,000,000	0.37%	0.88%
Air Link Communication Limited Short Term Sukuk (A1, PACRA) * Face value of Rs. 1,000,000 each	January 16, 2026	6M Kibor + 1.20%	July 16, 2026	-	300	-	300	300,000,000	300,000,000	0.55%	1.34%
Mahmood Textile Mills Limited Short Term Sukuk (A1, PACRA) Face value of Rs. 1,000,000 each	June 11, 2026	3M Kibor + 1%	December 11, 2026	-	450	-	450	450,000,000	450,000,000	0.83%	2.01%
Masood Spinning Mills Limited Short Term Sukuk (A1, PACRA) * Face value of Rs. 1,000,000 each	February 9, 2026	3M Kibor + 0.85%	August 7, 2026	-	450	-	450	450,000,000	450,000,000	0.83%	2.01%
Daewoo Pakistan Express Bus Service Limited Short Term Sukuk (A1, PACRA) * Face value of Rs. 1,000,000 each	February 25, 2026	6M Kibor + 2.50%	August 25, 2026	-	600	-	600	600,000,000	600,000,000	1.11%	2.68%
Matco Foods Limited Short Term Sukuk (A1, VIS) * Face value of Rs. 1,000,000 each	February 26, 2026	6M Kibor + 1%	August 26, 2026	-	375	-	375	375,000,000	375,000,000	0.69%	1.67%
Pakistan Telecommunication Company Ltd Short Term Sukuk (A1+, VIS) Face value of Rs. 1,000,000 each	January 9, 2026	3M Kibor + 0%	July 9, 2026	-	1,476	-	1,476	1,476,000,000	1,476,000,000	2.73%	6.59%

Name of the investee company	Issue Date	Profit rate	Maturity date	As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Balance as at June 30, 2026		Market value as a percentage of	
								Carrying value	Market value	Net assets of the Fund	Total investments of the Fund
--- Number of certificates ---								----- Rupees -----		----- % -----	
Sadaqat Limited Short Term Sukuk (A1, VIS) * Face value of Rs. 1,000,000 each	March 18, 2026	6M Kibor + 1.35%	September 18, 2026	-	180	-	180	180,000,000	180,000,000	0.33%	0.80%
Mahmood Textile Mills Limited Short Term Sukuk (A1, PACRA) * Face value of Rs. 1,000,000 each	January 9, 2026	3M Kibor + 0.45%	July 9, 2026	-	600	-	600	600,000,000	600,000,000	1.11%	2.68%
Alliance Sugar Mills Limited Short Term Sukuk (A2, VIS) Face value of Rs. 1,000,000 each	March 19, 2026	6M Kibor + 2%	September 21, 2026	-	100	-	100	100,000,000	100,000,000	0.18%	0.45%
Pakistan Telecommunication Company Ltd Short Term Sukuk (A1+ , VIS) Face value of Rs. 1,000,000 each	January 9, 2026	3M Kibor + 0%	July 9, 2026	-	750	-	750	750,000,000	750,000,000	1.39%	3.35%
RYK Mills Limited Short Term Sukuk (A1, VIS) Face value of Rs. 1,000,000 each	April 4, 2026	3M Kibor + 1.40%	October 2, 2026	-	600	-	600	600,000,000	600,000,000	1.11%	2.68%
Mahmood Textile Mills Limited Short Term Sukuk (A1, PACRA) * Face value of Rs. 1,000,000 each	April 21, 2026	3M Kibor + 1%	October 21, 2026	-	250	-	250	250,000,000	250,000,000	0.46%	1.12%
Burj Clean Energy Modaraba Short Term Sukuk (A1, VIS) Face value of Rs. 1,000,000 each	April 23, 2026	6M Kibor + 1.50%	October 23, 2026	-	50	-	50	50,000,000	50,000,000	0.09%	0.22%
Air Link Communication Limited Short Term Sukuk (A1, PACRA) * Face value of Rs. 1,000,000 each	April 24, 2026	6M Kibor + 1.20%	October 23, 2026	-	200	-	200	200,000,000	200,000,000	0.37%	0.88%
Select Technologies Private Limited Short Term Sukuk (A1, PACRA) * Face value of Rs. 1,000,000 each	June 12, 2026	6M Kibor + 1.10%	December 11, 2026	-	150	-	150	150,000,000	150,000,000	0.28%	0.67%
Liberty Daharhi Power Limited Short Term Sukuk (A1, VIS) Face value of Rs. 1,000,000 each	June 16, 2026	6M Kibor + 1.25%	December 16, 2026	-	600	-	600	600,000,000	600,000,000	1.11%	2.68%
Citi Pharma Limited Short Term Sukuk (A1, VIS) Face value of Rs. 1,000,000 each	June 22, 2026	3M Kibor + 0.70%	December 22, 2026	-	21	-	21	21,000,000	21,000,000	0.04%	0.09%
Pakistan Telecom Mobile Limited Short Term Sukuk (A1, PACRA) Face value of Rs. 1,000,000 each	June 24, 2026	3M Kibor + 0.15%	December 24, 2026	-	250	-	250	250,000,000	250,000,000	0.44%	1.14%
Total as at June 30, 2026								7,602,000,000	7,602,000,000	14.04%	33.94%
Total as at June 30, 2025								11,451,000,000	11,451,000,000	18.22%	31.00%

These Sukuks are secured in accordance with the respective issuance terms.

The profit payments and principal redemptions of these sukuk certificates are received at maturity.

6.6 Bai muajjal receivable

Name of investee company	Rating (long term / short term)	Issue Date	Maturity date	Profit rate	Total transaction price	Total deferred income	Accrued profit for the year	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of	
										Net assets of the Fund	Total investments of the Fund
Rupees								%			
Askari Bank Limited	AA+ / A1+	May 8, 2025	August 6, 2025	10.79%	1,478,897,556	39,346,779	15,738,711	-	-	-	-
Askari Bank Limited	AA+ / A1+	May 2, 2025	August 4, 2025	11.60%	1,265,477,484	37,804,840	13,674,091	-	-	-	-
Askari Bank Limited	AA+ / A1+	May 8, 2025	August 6, 2025	10.79%	4,227,063,516	112,463,052	44,985,221	-	-	-	-
UBL Bank Limited	AAA / A1+	May 12, 2025	August 7, 2025	10.75%	722,903,317	18,523,160	7,877,666	-	-	-	-
UBL Bank Limited	AAA / A1+	May 5, 2025	August 4, 2025	11.55%	580,585,491	16,718,476	6,246,464	-	-	-	-
UBL Bank Limited	AAA / A1+	May 7, 2025	August 7, 2025	10.75%	515,042,060	13,955,523	5,612,547	-	-	-	-
Zarai Taraqati Bank Ltd	AAA / A1+	June 4, 2025	December 3, 2025	10.50%	2,598,698,959	136,057,910	115,873,495	-	-	-	-
Pak Oman Investment Co Limited	AA+ / A1+	May 6, 2025	August 6, 2025	10.75%	2,366,877,421	64,132,651	25,095,385	-	-	-	-
Pak Brunei Investment Company Limited	AA+ / A1+	May 9, 2025	August 8, 2025	10.80%	3,487,122,766	93,894,363	39,208,635	-	-	-	-
Pak Brunei Investment Company Limited	AA+ / A1+	May 12, 2025	August 13, 2025	10.80%	4,019,447,272	110,606,379	51,140,584	-	-	-	-
Pak China Investment Co.Ltd	AAA / A1+	May 8, 2025	July 24, 2025	10.80%	1,230,654,038	28,038,682	8,375,191	-	-	-	-
Pak China Investment Co.Ltd	AAA / A1+	May 14, 2025	October 30, 2025	10.75%	1,339,866,320	66,690,470	47,748,798	-	-	-	-
Pak China Investment Co.Ltd	AAA / A1+	April 22, 2025	July 29, 2025	11.65%	278,642,162	8,715,774	2,490,221	-	-	-	-
Pak Oman Investment Company Limited	AA+ / A1+	July 22, 2025	October 20, 2025	10.55%	8,120,591,868	211,246,630	211,246,630	-	-	-	-
Askari Bank Limited	AA+ / A1+	July 23, 2025	October 21, 2025	10.55%	3,044,027,112	79,186,404	79,186,404	-	-	-	-
United Bank Limited	AAA / A1+	July 29, 2025	January 29, 2026	10.35%	3,053,808,082	159,333,483	159,333,483	-	-	-	-
Pakistan Mortgage Refinance Company Limited	AAA / A1+	August 7, 2025	February 4, 2026	10.45%	917,506,361	47,545,682	47,545,682	-	-	-	-
Saudi Pak Industrial & Agricultural Investment Company Ltd.	AAA / A1+	August 7, 2025	November 5, 2025	10.75%	3,058,354,537	81,067,343	81,067,343	-	-	-	-
Askari Bank Limited	AA+ / A1+	August 11, 2025	November 6, 2025	10.75%	3,064,525,184	78,523,210	78,523,210	-	-	-	-
Saudi Pak Industrial & Agricultural Investment Company Ltd.	AAA / A1+	August 11, 2025	November 24, 2025	10.75%	2,040,716,789	63,108,468	63,108,468	-	-	-	-
United Bank Limited	AAA / A1+	August 12, 2025	November 10, 2025	10.70%	4,593,420,518	121,190,793	121,190,793	-	-	-	-

Name of investee company	Rating (long term / short term)	Issue Date	Maturity date	Profit rate	Total transaction price	Total deferred income	Accrued profit for the year	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of	
										Net assets of the Fund	Total investments of the Fund
Rupees										%	
Pak Oman Investment Company Limited	AA+ / A1+	August 18, 2025	November 21, 2025	10.75%	2,047,840,877	57,297,466	57,297,466	-	-	-	-
Pakistan Mortgage Refinance Company Limited	AAA / A1+	September 25, 2025	December 26, 2025	10.75%	1,240,722,983	33,618,494	33,618,494	-	-	-	-
Pak Oman Investment Company Limited	AA+ / A1+	October 10, 2025	January 9, 2026	10.90%	945,864,581	25,704,194	25,704,194	-	-	-	-
Pak Brunei Investment Company Limited	AA+ / A1+	October 13, 2025	January 15, 2026	10.90%	1,975,841,899	55,464,318	55,464,318	-	-	-	-
Pak Brunei Investment Company Limited	AA+ / A1+	October 14, 2025	January 15, 2026	10.90%	2,080,437,019	57,779,151	57,779,151	-	-	-	-
Pak Oman Investment Company Limited	AA+ / A1+	October 20, 2025	January 16, 2026	10.90%	1,583,684,884	41,618,371	41,618,371	-	-	-	-
Zarai Taraqati Bank Ltd	AAA / A1+	October 20, 2025	January 16, 2026	10.85%	1,351,446,546	35,352,361	35,352,361	-	-	-	-
Pak China Investment Company Ltd	AAA / A1+	October 29, 2025	January 29, 2026	10.90%	2,608,360,795	71,662,033	71,662,033	-	-	-	-
Askari Bank Limited	AA+ / A1+	November 14, 2025	February 13, 2026	10.85%	1,016,338,691	27,492,658	27,492,658	-	-	-	-
Askari Bank Limited	AA+ / A1+	November 17, 2025	February 13, 2026	10.85%	2,729,160,221	71,391,841	71,391,841	-	-	-	-
Pakistan Mortgage Refinance Company Limited	AAA / A1+	January 21, 2026	April 21, 2026	9.90%	2,102,241,918	51,317,741	51,317,741	-	-	-	-
United Bank Limited	AAA / A1+	February 13, 2026	May 18, 2026	10.33%	3,171,966,575	84,384,739	84,384,739	-	-	-	-
United Bank Limited	AAA / A1+	February 23, 2026	May 19, 2026	10.33%	529,943,973	12,748,419	12,748,419	-	-	-	-
United Bank Limited	AAA / A1+	February 27, 2026	May 19, 2026	10.33%	849,571,397	19,475,668	19,475,668	-	-	-	-
Askari Bank Limited	AA+ / A1+	March 6, 2026	June 8, 2026	10.52%	6,852,868,767	185,662,051	185,662,051	-	-	-	-
Askari Bank Limited	AA+ / A1+	March 6, 2026	June 8, 2026	10.55%	3,721,585,959	101,114,981	101,114,981	-	-	-	-
Pak Brunei Investment Company Limited	AA+ / A1+	March 9, 2026	June 9, 2026	10.50%	2,126,960,000	56,291,599	56,291,599	-	-	-	-
Askari Bank Limited	AA+ / A1+	March 9, 2026	June 8, 2026	10.55%	531,740,000	13,986,219	13,986,219	-	-	-	-
Pak Brunei Investment Company Limited	AA+ / A1+	March 9, 2026	June 9, 2026	10.50%	3,190,440,000	84,437,398	84,437,398	-	-	-	-
Pak Brunei Investment Company Limited	AA+ / A1+	April 1, 2026	July 3, 2026	11.45%	3,199,293,698	93,336,107	91,328,879	3,290,622,577	3,290,622,577	6.09%	14.68%
Pak Oman Investment Company Limited	AA+ / A1+	May 8, 2026	June 24, 2026	11.60%	4,852,685,342	72,484,494	72,484,494	-	-	-	-
Pak Oman Investment Company Limited	AA+ / A1+	May 11, 2026	June 24, 2026	11.60%	539,697,123	7,546,888	7,546,888	-	-	-	-
Total as at June 30, 2026					101,252,922,062	2,848,317,261	2,483,428,983	3,290,622,577	3,290,622,577	6.09%	14.68%
Total as at June 30, 2025					171,372,027,742	4,947,102,185	4,488,208,877	24,474,159,413	24,474,159,413	38.95%	66.23%

6.7 Government of Pakistan ijarah sukuks - Secured

Particulars	Profit per annum	Issue date	Maturity date	As at July 01, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation	Market value as a percentage of				
											Net assets of the Fund	Total investment of the Fund			
----- Face Value -----												----- Rupees -----		----- % -----	
Variable rate															
GoP Ijara sukuk-5 year	8.37% to 11.20%	July 29, 2020	July 29, 2025	1,050	-	1,050	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-5 year	8.37% to 11.20%	July 29, 2020	July 29, 2025	3	-	3	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-5 year	8.37% to 11.20%	December 9, 2020	December 9, 2025	-	442,990	442,990	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-5 year	8.7% to 10.77%	October 29, 2021	October 29, 2026	-	30,985	30,000	985	98,343,580	98,243,900	(99,680)	0.18%	0.44%			
Fixed rate															
GoP Ijara sukuk-5 year	18.49%	June 26, 2023	June 26, 2026	-	297,500	297,500	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	10.67%	July 26, 2024	July 25, 2025	61,987	100,000	161,987	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	9.97%	August 16, 2024	August 15, 2025	7,814	292,400	300,214	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	10.46%	September 18, 2024	September 17, 2025	1,103	3,581,600	3,582,703	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	10.32%	October 21, 2024	October 20, 2025	10,299	16,680	26,979	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	10.10%	November 7, 2024	November 6, 2025	175,400	1,665,415	1,840,815	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	10.90%	December 4, 2024	December 3, 2025	29,794	1,319,409	1,349,203	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	10.42%	January 9, 2025	January 8, 2026	23,399	147,000	170,399	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	10.79%	February 6, 2025	February 4, 2026	50,999	394,000	444,999	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	9.50%	June 26, 2025	June 25, 2026	-	183,000	183,000	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	9.99%	August 21, 2025	August 20, 2026	-	650,327	650,327	-	-	-	-	0.00%	0.00%			
GoP Ijara sukuk-1 year*	9.23%	July 24, 2025	July 23, 2026	-	11,000	-	11,000	54,707,473	54,637,000	(70,473)	0.10%	0.24%			
GoP Ijara sukuk-1 year*	9.82%	October 15, 2025	October 14, 2026	-	393,461	119,003	274,458	1,335,311,893	1,328,789,756	(6,522,137)	2.45%	5.92%			
GoP Ijara sukuk-1 year*	9.98%	November 14, 2025	November 13, 2026	-	415,002	414,810	192	922,554	921,696	(858)	0.00%	0.00%			
GoP Ijara sukuk-1 year*	9.75%	December 11, 2025	December 10, 2026	-	48,000	-	48,000	230,146,209	228,000,000	(2,146,209)	0.42%	1.02%			
GoP Ijara sukuk-1 year*	12.50%	May 14, 2026	May 13, 2027	-	200,000	198,579	1,421	6,421,269	6,447,788	26,519	0.01%	0.03%			
GoP Ijara sukuk-1 year*	9.47%	January 22, 2026	January 21, 2027	-	450,000	449,802	198	932,057	931,194	(863)	0.00%	0.00%			
Total as at June 30, 2026							336,254	1,726,785,035	1,717,971,334	(8,813,701)	3.17%	7.66%			
Total as at June 30, 2025							361,848	1,026,582,874	1,026,354,308	(228,566)	1.63%	2.77%			

* Listed on Pakistan Stock Exchange.

** Face value of these sukuk certificate is Rs. 100,000 each except for the sukuk certificate listed on Pakistan Stock Exchange whose face value is Rs. 5,000 each.

6.8 The Securities and Exchange Commission of Pakistan vide circular no. 18 of 2026 dated July 24, 2026 required all Asset Management Companies to disclose the non-compliant investments in fund manager report, quarterly, interim and annual financial statements. The investment has been classified as non-compliant with the requirements prescribed under Clause 4 of Schedule XIX to the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Name of the non-compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	Market value as a percentage of	
					Net assets of the Fund	Total investment of the Fund

----- Rupees in '000 ----- % -----

Bank Alfalah Limited	Term Deposit Receipts	9,800,000,000	-	9,800,000,000	18.13%	43.73%
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6.9 Net unrealised diminution on re-measurement of investments classified 'at fair value through profit or loss'

Note

2026 2025
----- Rupees -----

Market value of investments	22,410,593,911	36,951,513,721
Less: Carrying value of investments	22,419,407,612	36,951,742,287
	(8,813,701)	(228,566)

7 ADVANCES, DEPOSIT, PREPAYMENTS, AND OTHER RECEIVABLES

Profit receivable on:

Bank balances	133,160,958	148,799,054
Term Deposit Receipts	90,213,698	-
Short term sukuk certificates	284,347,871	322,039,630
Government of Pakistan ijarah sukuks	1,879,484	5,477,226

Other receivable

1,308,944 -

Security Deposit with Central Depository Company of

Pakistan Limited - Trustee	100,000	100,000
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Security Deposit with National Clearing Company Pakistan Limited - NCCPL

11,178,802 10,267,335

Prepaid credit rating fee

279,067 15,588

522,468,824 **486,698,833**

8 PRELIMINARY EXPENSES AND FLOATATION COSTS

Balance as at the beginning of the year

555,817 755,468

Less: amortised during the year

8.1

(422,829) (199,655)

Balance as at year end

132,988 **555,817**

8.1 Preliminary expenses and flotation 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 NBFC Regulations.

9 PAYABLE TO ALFALAH ASSET MANAGEMENT MANAGEMENT COMPANY

Note

2026 2025
----- Rupees -----

Remuneration payable to Management Company	9.1	25,179,426	36,890,604
Sindh Sales Tax payable on remuneration payable to Management Company	9.2	3,776,173	5,532,850
Allocated expenses payable		-	8,081,098
Sindh Sales Tax payable on allocated expenses		-	1,212,164
Selling and marketing expenses		-	56,007,399
Sindh Sales Tax payable on Selling and marketing expenses		-	8,608,155
Sales load payable		1,448,555	781,156
Formation cost payable		-	998,350
Other payable		-	232,825
		30,404,154	118,344,600

9.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the maximum limit prescribed by SECP vide S.R.O. 600(I)/2025 dated April 10, 2025, i.e., 1.25% for the scheme categorised as money market scheme. The remuneration is payable to the Management Company monthly in arrears. During the year, the Management Company has charged management fee at rates ranging from 0.45% to 0.75% (2025: 0.74%) per annum of daily net assets of the Fund.

9.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2025: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		2026	2025
	Note	----- Rupees -----	
Trustee remuneration payable	10.1	2,521,830	2,875,169
Sindh Sales Tax payable on Trustee remuneration	10.2	377,413	430,413
CDS charges payable		1,581,159	1,996,908
		4,480,402	5,302,490

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, based on the daily net assets value of the Fund. The remuneration is payable to the trustee at the rate of 0.055% (2025: 0.055%) per annum of net assets of the Fund.

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2025: 15%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		2026	2025
	Note	----- Rupees -----	
Fee payable	11.1	3,435,031	3,918,304

11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged fee at the rate of 0.075% (2025: 0.075%) per annum of the daily net assets during the year ended June 30, 2026.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

12 ACCRUED EXPENSES AND OTHER LIABILITIES		2026	2025
		----- Rupees -----	
Auditor's remuneration payable		418,616	404,677
Listing fee payable		33,273	64,523
Brokerage expense payable		673,284	6,054,869
Withholding tax payable on dividend		76,641,147	105,654,511
Printing charges payable		-	35,371
Rating fee payable		367,273	367,273
Shariah advisory fee payable		1,141,157	1,480,150
Legal and professional fee payable		146,008	-
Sales load payable		11,580,561	9,477,026
Zakat payable		26,637	26,637
Withholding tax payable on redemption		615,230,917	419,872,529
Other payable		96,888	122,628
		706,355,761	543,560,194

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

14 AUDITOR'S REMUNERATION		2026	2025
		----- Rupees -----	
Annual audit fee		396,000	360,000
Review fee		237,600	216,000
Other certifications fee		158,400	144,000
Out of pocket expenses		79,200	72,000
		871,200	792,000
Sindh sales tax		69,696	63,360
		940,896	855,360

	Note	2026 ----- Rupees -----	2025
15 CASH AND CASH EQUIVALENTS			
Balances with banks	5	31,904,529,706	26,062,822,782
Term deposit receipts (with original maturity of 3 months or less)	6.3	9,800,000,000	-
Bai Muajjal receivable (with original maturity of 3 months or less)	6.6	-	20,496,468,047
		<u>41,704,529,706</u>	<u>46,559,290,829</u>

16 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund for the year ended June 30, 2026 is 0.80% (2025: 1.20%) which includes 0.09% (2025: 0.16%) representing Government levies, sales taxes, annual fee to the SECP. Pursuant to the amendment in the NBFC Regulations, 2008 by SECP vide notification S.R.O 600(I)/2025, dated April 10, 2025, the requirement related to maximum Total Expense Ratio limits has been removed as applicable to Collective Investment Schemes, effective from July 01, 2025.

17 TAXATION

The income of the Fund is exempt from income tax under 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 accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Further, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. During the year ended June 30, 2026, the Fund has distributed by way of cash dividend at minimum 90 percent of accounting income for the year as reduced by capital gains, whether realised or unrealised, to the unit holders. Accordingly, no provision for taxation has been recognised in the financial statements.

The Fund is also exempt from the provisions of the Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

18 EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed in these financial statements as, determination of the cumulative weighted average number of units outstanding for calculating EPU is not practicable.

19 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah Investment Company Limited and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with related parties / connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with related parties / connected persons are also in the normal course of business, at contracted rates as duly approved by the Board of Directors.

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

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

19.1 Unit holders' fund

2026											
Note	As at July 1, 2025 *	Issued for cash / conversion in / transfer in *	Dividend reinvested *	Redeemed / conversion out / transfer out *	As at June 30, 2026 *	As at July 1, 2025 *	Issued for cash / conversion in / transfer in *	Dividend reinvested *	Redeemed / conversion out / transfer out *	Net asset value as at June 30, 2026 **	
Units						Rupees					
Associated companies / undertakings											
Alfalah Asset Management Limited	19.1.1	1,031	3,805,831	1	3,805,835	1,028	103,469	330,252,507	-	354,319,465	103,444
Alfalah GHP Investment Management Limited - Staff Provident Fund	19.1.1	-	460,180	-	219,248	240,932	-	47,333,307	-	24,174,160	24,244,249
Alfalah GHP Islamic Prosperity Planning Fund - Islamic Balanced Allocation Plan	19.1.1	298,830	2,201,463	90,322	1,588,764	1,001,851	29,981,332	230,000,000	9,053,007	170,250,000	100,813,245
CDC-Trustee Alfalah GHP Islamic Moderative Allocation Plan	19.1.1	140,234	710,249	49,191	353,814	545,860	14,069,555	75,000,000	4,932,542	38,000,000	54,928,241
Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation Plan - 6	19.1.1	145	40	18	-	203	14,573	-	1,846	-	20,427
Bank Alfalah limited - Employees Provident Fund	19.1.1	137	-	14	-	151	13,769	-	1,363	-	15,177
Bank Alfalah Limited - Employees Gratuity Fund Trust	19.1.1	69	-	7	-	76	6,884	-	681	-	7,648
Bank Alfalah Limited - Employees Gratuity Fund	19.1.1	737	-	72	-	809	73,956	-	7,320	-	81,358
CDC-Trustee Alfalah GHP Islamic Active Allocation Plan-2	19.1.1	147,279	139,051	213	284,173	2,370	14,776,380	14,000,000	21,417	30,400,000	238,480
CDC-Trustee Alfalah GHP IPPF -2 K trade	19.1.1	-	982,618	96,711	999,404	79,925	-	103,679,218	9,702,927	100,600,000	8,042,586
Key management personnel											
Chief Financial Officer	19.1.1	17,925	187,571	-	153,822	51,674	1,798,420	13,177,822	-	16,263,052	5,199,796
Chief Strategy Officer	19.1.1	6	-	-	-	6	581	33	-	-	583
Director Alternative Investments	19.1.1	71,689	90,479	-	162,168	-	7,192,455	9,519,539	-	17,072,178	-
Director – Private Funds	19.1.1	308,348	-	-	308,348	-	30,936,208	-	-	30,936,208	-
Unit holder holding 10% or more units		91,278,649	72,009,124	-	103,657,634	59,630,139	9,157,887,081	7,831,654,853	-	11,138,017,628	6,000,398,170

2025											
Note	As at July 1, 2024 *	Issued for cash / conversion in / transfer in *	Dividend reinvested *	Redeemed / conversion out / transfer out *	As at June 30, 2025 *	As at July 1, 2024 *	Issued for cash / conversion in / transfer in *	Dividend reinvested *	Redeemed / conversion out / transfer out *	Net asset value as at June 30, 2025 **	
Units						Rupees					
Associated companies / undertakings											
Alfalah Asset Management Limited	19.1.1	399,803	2,687,646	-	3,086,418	1,031	40,063,840	290,313,898	-	115,106,714	103,469
Alfalah GHP Investment Management Limited - Staff Provident Fund	19.1.1	192,472	2	-	192,474	-	19,287,415	205	-	21,970,251	-
Alfalah GHP Islamic Prosperity Planning Fund - Islamic Balanced Allocation Plan	19.1.1	537,785	75,467	36,692	351,114	298,830	53,890,908	8,203,019	3,676,906	38,900,000	29,981,332
CDC-Trustee Alfalah GHP Islamic Moderative Allocation Plan	19.1.1	191,868	59,810	17,219	128,662	140,234	19,226,919	6,501,116	17,880	14,200,000	14,069,555
Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation Plan - 6	19.1.1	-	128	17	-	145	-	13,947	1,799	-	14,573
Bank Alfalah limited - Employees Provident Fund	19.1.1	-	120	17	-	137	-	13,095	1,689	-	13,769
Bank Alfalah Limited - Employees Gratuity Fund Trust	19.1.1	-	60	9	-	69	-	6,546	844	-	6,884
Bank Alfalah Limited - Employees Gratuity Fund	19.1.1	-	646	91	-	737	-	70,338	9,070	-	73,956
CDC-Trustee Alfalah GHP Islamic Active Allocation Plan-2	19.1.1	-	2,115,904	18,084	1,986,709	147,279	-	230,001,555	1,812,173	219,000,000	14,776,380
Key management personnel											
Chief Financial Officer	19.1.1	72,210	227,059	1,509	282,853	17,925	7,236,051	21,224,694	-	23,157,191	1,798,420
Chief Strategy Officer	19.1.1	2,095	6	-	2,095	6	209,949	642	-	213,152	581
Head Of Legal & Company Secretary	19.1.1	626	-	66	692	-	62,784	-	6,591	69,375	-
Director Alternative Investments	19.1.1	-	71,740	8,743	8,794	71,689	-	8,161,126	876,134	1,000,422	7,192,455
Director – Private Funds	19.1.1	-	270,540	37,808	-	308,348	-	30,881,197	3,788,737	-	30,936,208
Unit holder holding 10% or more units		105,109,862	225,400,189	-	239,231,402	91,278,649	11,721,420,844	24,415,464,731	-	26,984,716,175	9,157,887,081

19.1.1 This reflects the position of related party / connected persons status as at June 30, 2026 and June 30, 2025.

* These amounts are based on transaction price

** These amounts are determined based on the net asset value per unit.

*** These include transactions and balances in relation to the entities where common directorship / key executives / other connected persons that exists as at year end. However, it does not include the transactions and balances whose status changed during the year.

19.2 Transactions during the year

	2026	2025
	----- Rupees -----	
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Management remuneration payable	408,297,169	506,226,663
Sindh Sales Tax payable on management remuneration	61,244,576	75,933,015
Selling and marketing expenses	-	136,376,424
Sindh Sales Tax on Selling and marketing expenses	-	20,456,464
Allocated expenses	-	8,081,098
Sindh Sales Tax on Allocated expenses	-	1,212,164
Sales load	4,546,294	4,440,608
Amount received against issuance of units	-	742,820

	2026	2025
	----- Rupees -----	
Bank Alfalah Limited		
Profit on bank deposits	114,281,141	250,120,490
Profit on term deposits receipts	211,871,233	90,376,712
Term deposit receipts - purchased	47,300,000,000	11,000,000,000
Term deposit receipts - matured	37,500,000,000	11,000,000,000
Certificate of Musharaka - purchased	39,800,000,000	8,500,000,000
Certificate of Musharaka - matured	39,800,000,000	8,500,000,000

Alfalah GHP Islamic Income Fund

Sukuk certificates - purchased	308,341,397	-
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Alfalah Islamic Rozana Amdani Fund

Sukuk certificates - purchased	-	3,660,000,000
GoP Ijara Sukuk- purchased	-	754,950,000

Alfalah Islamic Sovereign Fund

GoP Ijara Sukuk- purchased	-	2,754,253,190
GoP Ijara Sukuk- sale	-	2,201,760,000

Alfalah GHP Money Market Fund

GoP Ijara Sukuk- Sale	2,992,200,000	-
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Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	39,510,587	39,487,890
Sindh sales tax on remuneration of the Trustee	5,926,588	5,922,353
CDS charges	3,357	1,448,534

19.3 Other balances

Associated companies / undertakings

Alfalah Asset Management Limited - Management Company

Management remuneration payable	25,179,426	36,890,604
Sindh sales tax payable on management remuneration	3,776,173	5,532,850
Allocated expense	-	8,081,098
Sindh Sales Tax on Allocated expenses	-	1,212,164
Selling and marketing expense	-	56,007,399
Sindh Sales Tax on Selling and marketing expenses	-	8,608,155
Sales load payable	1,448,555	781,156
Formation cost payable	-	998,350
Other payable	-	232,825

Bank Alfalah Limited

Balances with banks	2,121,669,935	10,317,415,871
Sales load payable	11,580,561	9,477,026
Profit receivable on bank deposits	7,651,372	21,074,453
Profit receivable on term deposit receipts	90,213,698	-
Term deposit receipts	9,800,000,000	-

Other related party

Central Depository Company of Pakistan Limited - Trustee

	2026	2025
	----- Rupees -----	
Trustee remuneration payable	2,521,830	2,875,169
Sindh sales tax payable on trustee remuneration	377,413	430,413
CDS charges payable	1,581,159	1,996,908
Security deposit	100,000	100,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

	----- 2026 -----		
	At amortised cost	At fair value through profit or loss	Total
	-----Rupees-----		
Balances with banks	31,904,529,706	-	31,904,529,706
Investments	-	22,410,593,911	22,410,593,911
Advances, deposit, prepayments and other receivables	522,189,757	-	522,189,757
	<u>32,426,719,463</u>	<u>22,410,593,911</u>	<u>54,837,313,374</u>

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company	30,404,154	-	30,404,154
Payable to Central Depository Company of Pakistan Limited - Trustee	4,480,402	-	4,480,402
Payable against redemption of units	-	-	-
Dividend payable	38,824,611	-	38,824,611
Accrued expenses and other liabilities	14,457,060	-	14,457,060
	<u>88,166,227</u>	<u>-</u>	<u>88,166,227</u>

Financial assets

	----- 2025 -----		
	At amortised cost	At fair value through profit or loss	Total
	-----Rupees-----		
Balances with banks	26,062,822,782	-	26,062,822,782
Investments	-	36,951,513,721	36,951,513,721
Advances, deposit, prepayments and other receivables	486,683,245	-	486,683,245
	<u>26,549,506,027</u>	<u>36,951,513,721</u>	<u>63,501,019,748</u>

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company	118,344,600	-	118,344,600
Payable to Central Depository Company of Pakistan Limited - Trustee	5,302,490	-	5,302,490
Dividend payable	2,644,301	-	2,644,301
Accrued expenses and other liabilities	18,006,517	-	18,006,517
	<u>144,297,908</u>	<u>-</u>	<u>144,297,908</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, profit rate risk and price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

21.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2026, is as follows:

	2026	2025
	----- Rupees -----	
Variable rate instruments (financial assets)		
Balances with banks	28,901,753,756	26,062,822,782
Sukuk certificates	7,602,000,000	11,451,000,000
Government of Pakistan ijarah sukuks	98,243,900	104,964,108
	<u>36,601,997,656</u>	<u>37,618,786,890</u>
Fixed rate instruments (financial assets)		
Term deposit receipts	9,800,000,000	-
Bai muajjal receivable	3,290,622,577	24,474,159,413
Government of Pakistan ijarah sukuks	1,619,727,434	921,390,200
	<u>14,710,350,011</u>	<u>25,395,549,613</u>

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds KIBOR based sukuk certificates and balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 366 million (2025: Rs. 376.18 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

The Fund is exposed to fair value interest rate risk for investment in government securities and Bai muajjal receivables.

- In case of 100 basis points increase in profit rates on June 30, 2026, with all other variables held constant, the net income for the year and the net assets would have been lower by Rs. 1,162.24 million (2025: Rs. 2,148.75 million).
- In case of 100 basis points decrease in profit rates on June 30, 2026, with all other variables held constant, the net income for the year and the net assets would have been lower by Rs. 1,380.37 million (2025: Rs. 2,586.53 million).

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's yield / profit rate sensitivity related to financial assets and financial liabilities as at June 30,2026 can be determined as follows:

21.1.3 Profit rate risk

----- 2026 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		
----- Rupees -----					

On-balance sheet financial instruments

Financial assets

Balances with banks	8.75% - 12.50%	28,901,753,756	-	-	3,002,775,950	31,904,529,706
Investments:						
- Term deposit receipts	12.00%	9,800,000,000	-	-	-	9,800,000,000
- Short term sukuks	10.42% - 13.64%	6,602,000,000	1,000,000,000	-	-	7,602,000,000
- Bai muajjal receivable	11.45%	3,290,622,577	-	-	-	3,290,622,577
- Government of Pakistan ijarah sukuks	9.47% - 18.49%	54,637,000	1,663,334,334	-	-	1,717,971,334
Advances, deposits, prepayments and other receivables		-	-	-	522,189,757	522,189,757
Sub total		48,649,013,333	2,663,334,334	-	3,524,965,707	54,837,313,374

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company		-	-	-	30,404,154	30,404,154
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	4,480,402	4,480,402
Payable against redemption of units		-	-	-	-	-
Dividend payable		-	-	-	38,824,611	38,824,611
Accrued expenses and other liabilities		-	-	-	14,457,060	14,457,060
Sub total		-	-	-	88,166,227	88,166,227

On-balance sheet gap		48,649,013,333	2,663,334,334	-	3,436,799,480	54,749,147,147
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Total interest rate sensitivity gap		48,649,013,333	2,663,334,334	-	3,436,799,480	54,749,147,147
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Cumulative interest rate sensitivity gap		48,649,013,333	51,312,347,667	51,312,347,667		
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----- 2025 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		
----- Rupees -----					

On-balance sheet financial instruments

Financial assets

Balances with banks	9.25% - 11%	26,062,822,782	-	-	-	26,062,822,782
Investments:						
- Short term sukuks	11.05% - 13.75%	3,376,000,000	8,075,000,000	-	-	11,451,000,000
- Bai muajjal receivable	10.75% - 11.65%	20,496,468,047	3,977,691,366	-	-	24,474,159,413
- Government of Pakistan ijarah sukuks	11.08% - 13.75%	457,022,271	569,332,037	-	-	1,026,354,308
Advances, deposits, prepayments and other receivables		-	-	-	486,683,245	486,683,245
Sub total		50,392,313,100	12,622,023,403	-	486,683,245	63,501,019,747

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company		-	-	-	118,344,600	118,344,600
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	5,302,490	5,302,490
Dividend payable		-	-	-	2,644,301	2,644,301
Accrued expenses and other liabilities		-	-	-	18,006,517	18,006,517
Sub total		-	-	-	144,297,909	144,297,909

On-balance sheet gap		50,392,313,100	12,622,023,403	-	342,385,336	63,356,721,839
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Total interest rate sensitivity gap		50,392,313,100	12,622,023,403	-	342,385,336	63,356,721,839
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Cumulative interest rate sensitivity gap		50,392,313,100	63,014,336,503	63,014,336,503		
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21.1.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2026, the Fund is not exposed to other price risk.

21.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee and as listed in the offering document. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

21.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	2026	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees	
Balances with banks	31,904,529,706	31,904,529,706
Investments	22,410,593,911	20,692,622,577
Deposit, profits and other receivables	522,189,757	520,310,273
	54,837,313,374	53,117,462,556

	2025	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees	
Balances with banks	26,062,822,782	26,062,822,782
Investments	36,951,513,721	35,925,159,413
Deposit, profits and other receivables	486,683,245	481,206,019
	63,501,019,748	62,469,188,214

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets excluding investment in government securities which are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

21.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2026 & 2025 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2026 % of financial assets exposed to credit risk	2025 % of financial assets exposed to credit risk
Dubai Islamic Bank Limited	VIS	A1+/AA	0.17%	6.28%
Bank Al Habib Limited	PACRA	A1+/AA+	0.25%	0.03%
Bank Alfalah Limited	PACRA	A1+/AA+	20.90%	39.59%
Faysal Bank Limited	VIS/PACRA	A1+ /AA+	78.49%	11.86%
United Bank Limited	VIS	A-1+/AAA	0.02%	0.00%
Allied Bank Limited	PACRA	A1+/AAA	0.17%	42.24%
The Bank of Punjab*	PACRA	A1+/AA-	0.00%	-
			100.00%	100.00%

* Nil due to rounding off

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2026.

Ratings of term deposit receipts, certificate of musharaka, certificate of mudarabah, certificate of islamic investment, bai mujjal receivable and sukuk certificates have been disclosed in related notes to financial statements.

21.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including balances with banks have been included in the maturity grouping of one month.

2026			
Upto three months	Over three months and upto one year	Over one year	Total

Rupees

Financial liabilities

Payable to Alfalah Asset Management

Limited - Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Payable against units redeemed

Dividend payable

Accrued expenses and other liabilities

30,404,154	-	-	30,404,154
4,480,402	-	-	4,480,402
-	-	-	-
38,824,611	-	-	38,824,611
14,457,060	-	-	14,457,060
88,166,227	-	-	88,166,227

2025			
Upto three months	Over three months and upto one year	Over one year	Total

Rupees

Financial liabilities

Payable to Alfalah Asset Management

Limited - Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Dividend payable

Accrued expenses and other liabilities

118,344,600	-	-	118,344,600
5,302,490	-	-	5,302,490
2,644,301	-	-	2,644,301
18,006,517	-	-	18,006,517
144,297,908	-	-	144,297,908

22 FAIR VALUE MEASUREMENT

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.

Financial assets which are tradable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

22.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

Levels	Description	Valuation approach and input used
Level 1:	Quoted prices in active markets for identical assets or liabilities;	Listed government securities traded on PSX are valued at revaluation rates disseminated by PSX.
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	The government securities not listed on a stock exchange and traded are valued at the average rates quoted on electronic quotation system (PKRV / PKFRV / PKISRV). The fair value of debt securities (other than government securities) is based on the value determined and announced by MUFAP.
Level 3:	Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).	Not applicable.

As at June 30, 2026 and June 30, 2025 the Fund held the following financial instruments measured at fair value:

----- 2026 -----				
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss				
Term deposit receipts	-	9,800,000,000	-	9,800,000,000
Short term sukuk certificates	-	7,602,000,000	-	7,602,000,000
Bai muajjal receivable	-	3,290,622,577	-	3,290,622,577
Government of Pakistan Ijarah sukuks	1,619,727,434	98,243,900	-	1,717,971,334
	<u>1,619,727,434</u>	<u>20,790,866,477</u>	<u>-</u>	<u>22,410,593,911</u>
----- 2025 -----				
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss				
Short term sukuk certificates	-	11,451,000,000	-	11,451,000,000
Bai muajjal receivable	-	24,474,159,413	-	24,474,159,413
Government of Pakistan Ijarah sukuks	921,390,200	104,964,108	-	1,026,354,308
	<u>921,390,200</u>	<u>36,030,123,521</u>	<u>-</u>	<u>36,951,513,721</u>

During year ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

24 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

25 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 21, 2026 by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2026			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	6044	274,527,963	27,624,897,849	51%
Insurance Co.	9	8,807,628	886,284,268	2%
Retirement & Other Funds	38	18,830,466	1,894,851,379	4%
Others	125	235,008,459	23,648,191,974	44%
	6216	537,174,515	54,054,225,470	100%

Category	As at 30 June 2025			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	3548	352,649,945	35,380,983,569	128%
Insurance Co.	7	5,886,336	590,569,670	2%
Retirement & Other Funds	41	20,687,701	2,075,574,427	8%
Others	97	246,994,553	24,780,693,597	90%
	3693	626,218,536	62,827,821,263	228%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2026 %	30 June 2025 %	30 June 2024 %
Continental Exchange (Pvt) Limited	4.82%	2.65%	29.08%
Pearl Securities limited	6.91%	0.89%	16.99%
BMA Capital Management Limited	1.45%	1.82%	0.00%
Alfalsh Securities Limited	0.00%	6.61%	16.26%
AKD Securities Limited	12.18%	26.90%	10.92%
Invest One Markets Limited	0.75%	2.69%	10.73%
Arif Habib Limited	8.06%	1.80%	5.05%
JS Global Capital Limited	5.88%	4.59%	4.49%
K Trade Securities Limited	0.01%	1.07%	0.00%
Next Capital Pvt limited	1.47%	1.52%	0.00%
Optimus Markets (Pvt) Limited	3.75%	0.21%	4.28%
Paramount market Pvt Limited	5.58%	6.27%	0.00%
Mangenta Capital limited	13.98%	8.72%	0.00%
Summit Capital Limited	0.29%	0.67%	0.00%
C&M Management (Pvt) Limited	0.00%	3.82%	1.75%
Currency Market Association	16.14%	0.00%	0.00%
Icon Management	11.32%	0.00%	0.00%
Vector Capital	0.48%	0.00%	0.00%
Bright Capital Private Limited	6.93%	19.25%	0.30%
IOML	0.00%	10.52%	0.15%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khorro – Chief Investment Officer
Mr. Faisal Ali Khan - Chief Financial Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Imad Ansari – Chief Risk Officer
Mr. Muddasir Ahmed Shaikh – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Ms. Sana Abdullah - Head of Research
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khorro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments. Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Faisal Ali Khan - Chief Financial Officer

Faisal Ali Khan is serving as Chief Financial Officer of Alfalah Investments and prior to joining he was associated with Faysal Funds where he served as CFO and Company Secretary. In past he has worked with reputed financial sector organizations including BMA Funds, Saudi Pak Industrial and Agricultural Company (Pvt.) Ltd, Attock Refinery Limited and KPMG. Mr. Khan is a fellow member of the Institute of Chartered Accountant of Pakistan having a professional experience of over nineteen years ranging from financial reporting, regulatory compliance, budgeting and taxation to corporate and secretarial practices including 15 years of experience in the asset management and investment advisory industry

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed

the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Mr. Imad Ansari – Chief Risk Officer

Mr. Imad Ansari is a seasoned Risk Professional with overall experience of 19 years (15 in financial sector and 4 years with leading television networks as Anchor/Research Analyst). He has extensive experience in implementing risk frameworks across the entity and funds under management, by combining Financial, Operational, Information Security and Business Continuity under the ambit of Enterprise Risk Management.

Before joining Alfalah Asset Management Limited as Chief Risk Officer, he has worked with HBL Asset Management, Faysal Funds, Al Meezan Investment Management Limited, UBL Funds, CNBC, PTV & Business Plus."

Mr. Muddasir Ahmed Shaikh – Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management. Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Ms. Sana Abdullah - Head of Research

Ms. Sana Abdullah, CFA, is the Head of Research at Alfalah Investments and has over 17 years of experience in the financial sector, primarily in equity and macroeconomic research, investment management and advisory. She has previously worked with Lakson Investments Limited, Tundra Fonder, Global Securities and other leading research and brokerage firms in Pakistan. She also previously served as Head of Separately Managed Accounts & Equity Portfolio Manager at Alfalah Investments. Sana is a CFA Charterholder and holds an MBA in MIS/Information Technology from Iqra University, Karachi, where she was a Gold Medalist.

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) MEETINGS OF BOARD OF DIRECTORS

The dates of the meetings of the Board of Directors of the Management Company of the fund and the attendance of its members are given below:

Name of Director	Meeting held on				
	August 16, 2025	October 29, 2025	January 8, 2026	February 26, 2026	April 27, 2026
Mr. Khaldoon Bin Latif	✓	✓	✓	✓	✓
Mr. Khalilullah Shaikh	✓	✓	Leave	✓	✓
Mr. Khaled Khanfer	✓	✓	✓	Leave	Leave
Ms. Ayesha Aziz	✓	✓	✓	✓	✓
Ms. Farooq Ahmed Khan	✓	✓	✓	✓	✓
Mr. Atif Bajwa	✓	✓	✓	✓	✓
Mr. Sohail Sultan	✓	✓	✓	Leave	✓
Mr. Zaigham Shariff	-	✓	✓	✓	✓

(v) **MEETINGS OF BOARD AUDIT COMMITTEE**

The dates of the meetings of the Board Audit Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on			
	August 15, 2025	October 28, 2025	February 25, 2026	April 23, 2026
Mr. Khaled Khanfer	✓	✓	✓	✓
Mr. Khalilullah Shaikh	✓	✓	✓	✓
Mr. Farooq Ahmed Khan	✓	✓	✓	✓

(vi) **MEETINGS OF BOARD RISK MANAGEMENT COMMITTEE**

The dates of the meetings of the Board Risk Management Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on			
	August 13, 2025	October 28, 2025	February 24, 2026	April 23, 2026
Mr. Khaled Khanfer	✓	✓	✓	✓
Mr. Khalilullah Shaikh	✓	✓	✓	✓
Mr. Farooq Ahmed Khan	✓	✓	✓	✓
Mr. Khaldoon Bin Latif	✓	✓	✓	✓

(vii) **MEETINGS OF BOARD HUMAN RESOURCE MANAGEMENT COMMITTEE**

The dates of the meetings of the Board Human Resource Management Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on		
	October 24, 2025	February 24, 2026	April 24, 2026
Mr. Zaigham Shariff	✓	✓	Leave
Mr. Farooq Ahmed Khan	✓	✓	✓
Ms. Ayesha Aziz	✓	✓	✓
Mr. Khaldoon Bin Latif	✓	✓	✓

(viii) **MEETINGS OF BOARD INVESTMENT COMMITTEE**

The dates of the meetings of the Board Investment Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on			
	August 15, 2025	October 28, 2025	February 23, 2026	April 20, 2026
Mr. Farooq Ahmed Khan	✓	✓	✓	✓
Mr. Sohail Sultan	✓	✓	✓	✓
Ms. Ayesha Aziz	✓	✓	✓	✓

SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

PERFORMANCE TABLE - AIMMF

	30 June 2026	30 June 2025	30 June 2024	30 June 2023
Net Assets	54,054,225,470	62,827,821,263	27,549,225,740	7,669,255,384
NAV per unit	100.6269	100.3289	100.2090	100.0000
Selling price per unit	102.9413	102.6365	102.4737	103.5444
Redemption price per unit	100.6269	100.3289	100.2090	100.0000
Highest selling price per unit	112.7956	116.8014	122.9723	105.7499
Highest redemption price per unit	110.2596	114.1754	120.1296	103.5444
Lowest selling price per unit	102.6365	101.9562	101.7060	102.5118
Lowest redemption price per unit	110.2596	100.2090	100.0496	100.0000
1st interim distribution per unit	9.9307	14.0266	2.1895	0.2571
Interim distribution date	22-Jun-26	25-Jun-25	10-Aug-23	18-Apr-23
2nd interim distribution per unit	-	-	19.0634	3.5444
Interim distribution date	-	-	27-Jun-24	23-Jun-23
3rd interim distribution per unit	-	-	-	3.3738
Interim distribution date	-	-	-	30-Jun-23
Annualized returns	11.47%	14.13%	21.86%	19.88%
Income distribution	98.880%	99.10%	98.13%	100.00%
Weighted avg. portfolio duration	13.99 Days	34.46 Days	46.59 days	26.16 days

Return since inception is 15.70%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**ALFALAH
ISLAMIC INCOME
GROWTH FUND**



FUND INFORMATION

Management Company:	Alfalah Asset Management Limited
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khaled Khanfer Mr. Farooq Ahmed Khan Mr. Zaigham Sheriff Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee (BAC)	Mr. Khaled Khanfer Mr. Farooq Ahmed Khan Mr. Khalilullah Shaikh
Business Risk Management Committee (BRMC)	Mr. Khaled Khanfer Mr. Farooq Ahmed Khan Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO)
Human Resource & Remuneration Committee (HRRC)	Mr. Farooq Ahmed Khan Mr. Zaigham Sheriff Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Board Investment Committee (BIC)	Mr. Farooq Ahmed Khan Mr. Sohail Sultan Ms. Ayesha Aziz
Company Secretary:	Mr. Saad Haseeb Qureshi
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	MCB Islamic Bank Limited Allied Bank limited Bank Al-Falah Limited Bank Al-Habib Limited Dubai Islamic Bank Pakistan Faysal Bank Limited
Auditors:	Yousuf Adil Chartered Accountants. Cavish Court, A-35 Shahrah-e-Faisal Road, Bangalore Town Block A Bangalore Town, Karachi
Legal Advisor:	Mohsin Tayebaly & Co. 1st Floor, Dime Centre, BC-4, Block-9, Kehkashan, Clifton, Karachi – 75600. Pakistan.
Registrar:	Alfalah Asset Management Limited Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah Islamic Income Growth Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Shariah Compliant Aggressive Fixed Income Scheme

Investment Objective

To minimize risk, construct a liquid portfolio of fixed income instruments and provide competitive returns to the unit holders.

Accomplishment of Objective

The objective of Alfalah Islamic Income Growth Fund (AIIGF) is to generate competitive, long-term, risk-adjusted returns by investing in medium to long-term shariah compliant fixed income securities and money market instruments. It will actively adjust its asset allocation based on prevailing macroeconomic conditions to optimize returns, while strictly adhering to Islamic investment principles.

Money Market Review

Pakistan's money market remained relatively resilient during the first half of 2026, although market conditions became increasingly volatile amid evolving inflation expectations, geopolitical developments, and changing monetary policy outlook. Strong liquidity in the banking system and healthy demand for government securities continued to support participation in Treasury Bill (MTB), Pakistan Investment Bond (PIB), and Government Ijarah Sukuk (GIS) auctions during the early part of the period.

However, persistent core inflation, rising imports, elevated global energy prices, and heightened geopolitical tensions in the Middle East led to renewed inflationary concerns and a reassessment of monetary policy expectations. In response, the State Bank of Pakistan (SBP) increased the policy rate by 100 basis points to 11.50% in April 2026 after having maintained the policy rate at 10.50% at the start of the year. Earlier in the period, the SBP also reduced the Cash Reserve Requirement (CRR) by 100 basis points to improve liquidity conditions within the banking system.

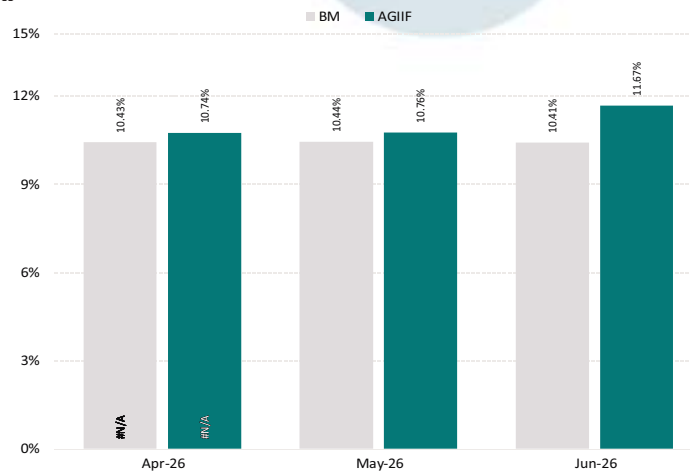
Money market yields remained volatile throughout the period. At the start of the year, Treasury Bill yields stood at 10.4859%, 10.4878%, 10.4799%, and 10.4880% for the 1-month, 3-month, 6-month, and 12-month tenors, respectively. Following a relatively stable start to the year, yields moved higher after the April policy rate hike as markets adjusted to tighter monetary conditions. Towards the end of June 2026, easing geopolitical tensions and moderating inflation expectations contributed to some correction in yields; however, they remained above the levels seen at the beginning of the year, closing at 11.7538%, 11.7031%, 11.7239%, and 11.7557% for the 1-month, 3-month, 6-month, and 12-month Treasury Bills, respectively.

Government securities continued to attract strong investor demand throughout the period, reflecting ample liquidity in the banking sector and sustained confidence in sovereign instruments. While monetary tightening temporarily lifted yields, improving macroeconomic conditions and easing external risks supported a moderation in yields by the end of June 2026.

Fund Performance

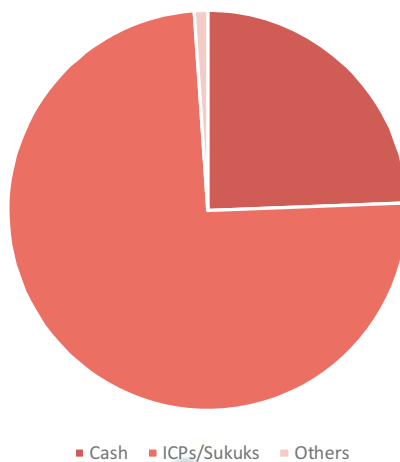
During the year, the fund generated a return of 11.71% compared to the benchmark 10.43%.

Performance comparison with Benchmark



Assets Allocation

Alfalah Islamic Income Growth Fund



- ⇒ **Description and explanation of any significant changes in the state of 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 year under review.

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

There were no unit splits during the period.

- ⇒ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- ⇒ **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 dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH ISLAMIC INCOME GROWTH FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Islamic Income Growth Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund from April 16, 2026 to June 30, 2026 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 21, 2026

September 17, 2026

AHSA/SSR/AAML/AGIIGF/612



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 2026, comply with the provided Shariah guidelines. Therefore, it is resolved that Alfalah GHP Islamic Income Growth Fund (AGIIGF) managed by Alfalah Asset Management Limited is Compliant and in accordance with Shariah principles.

During the year, Alfalah GHP Islamic Income Growth Fund (AGIIGF) did not book any charity amount.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited and Alfalah Asset Management Limited.



Mufti Irshad Ahmad Aijaz
Chairman Shariah Council



Mufti Javed Ahmed
Shariah Board Member
Alfalah Asset Management Limited



Faraz Younus Bandukda, CFA
Chief Executive

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To The Board of Directors of Alfalah Asset Management Limited (Management Company of Alfalah Islamic Income Growth Fund)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of **Alfalah Islamic Income Growth Fund (the Fund)** for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the period ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the period ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- a) legal and regulatory framework administered by the SECP;
- b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;
- c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;
- d) guidance and recommendations of the Shariah advisory committee, as notified by the SECP; and
- e) approvals, rulings or pronouncements of Shariah Supervisory board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above.

Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the period ended June 30, 2026, which are annexed.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts, and transactions, having Shariah implications, entered into by the Fund with its unit holders, other financial institutions and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM -1), which requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

5. Our Responsibility and Summary of the Work Performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications, with Shariah principles in all material respects for the period ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts, and transactions for the period ended June 30, 2026, are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Shafqat Ali**.



Chartered Accountants

Date: September 22, 2026
Place: Karachi

INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of Alfalah Islamic Income Growth Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah Islamic Income Growth Fund** (the Fund), which comprise the statement of assets and liabilities as at **June 30, 2026**, the income statement, statement of comprehensive income, statement of movement in unit holders' fund, cash flow statement for the period from **April 16, 2026** to **June 30, 2026**, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at **June 30, 2026**, and of its financial performance and its cash flows for the period from **April 16, 2026** to **June 30, 2026** in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and Alfalah Asset Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Management Company (Alfalah Asset Management Limited) is responsible for the other information. The other information comprises the information included in the Annual Report in respect of the Fund but does not include the financial statements of the Fund, our auditor's report thereon and the information related to any other fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

The Management Company (Alfalah Asset Management Limited) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, The Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Arif Nazeer**.

Chartered Accountants

Place: Karachi

Date: September 29, 2026

UDIN: AR202610099aB4MmW2ps

ALFALAH ISLAMIC INCOME GROWTH FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2026

		2026
	Note	----- (Rupees) -----
ASSETS		
Bank balances	5	233,867,579
Investments	6	946,866,667
Advances, deposits, prepayments and profit receivables	7	12,954,329
Preliminary expense and floatation costs	8	537,490
Total assets		1,194,226,065
LIABILITIES		
Payable to Alfalah Asset Management Limited - Mangement Company	9	1,224,999
Payable to Central Depository Company of Pakistan Limited - Trustee	10	111,528
Payable to the Securities and Exchange Commission of Pakistan	11	63,730
Accrued expenses and other liabilities	12	3,088,646
Total liabilities		4,488,903
NET ASSETS		1,189,737,162
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,189,737,162
Contingencies and commitments	14	-
		(Number of units)
Number of units in issue		11,871,346
		----- (Rupees) -----
Net asset value per unit		100.2192

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC INCOME GROWTH FUND

INCOME STATEMENT

FOR THE PERIOD FROM APRIL 16, 2026 TO JUNE 30, 2026

		2026
	Note	----- (Rupees) -----
INCOME		
Profit on balances with banks		9,939,362
Income from GoP ijara sukuk		574,665
Income from corporate sukuk		5,685,669
Gain on sale of investments - net		398,900
Total income		16,598,596
EXPENSES		
Remuneration of Alfalah Asset Management Limited - Management Company	9.1	454,004
Sindh Sales Tax on remuneration of the Management Company	9.2	68,101
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	96,981
Sindh Sales Tax on remuneration of the Trustee	10.2	14,547
Fee to the Securities and Exchange Commission of Pakistan	11.1	96,980
Fees and subscription		5,973
Shariah audit and advisor fee		111,372
Auditor's remuneration	15	316,250
Legal and professional charges		150,000
Capital gain tax on debt securities	16.1	146,035
Bank and settlement charges		245,490
Amortisation of formation cost		23,035
Total expenses		1,728,768
Net income for the period before taxation		14,869,828
Taxation	16	-
Net income for the period after taxation		14,869,828
Earnings per unit	17	-
Allocation of net income for the period		
Net income for the period after taxation		14,869,828
Income already paid on units redeemed		(13,124,263)
		1,745,565
Accounting income available for distribution		
- Relating to capital gain		398,900
- Excluding capital gain		1,346,665
		1,745,565

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC INCOME GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM APRIL 16, 2026 TO JUNE 30, 2026

	2026 ----- (Rupees) -----
Net income for the period after taxation	14,869,828
Other comprehensive income for the period	-
Total comprehensive income for the period	14,869,828

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC INCOME GROWTH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE PERIOD FROM APRIL 16, 2026 TO JUNE 30, 2026

	2026		
	Capital value	Undistributed income	Total
	(Rupees)		
Net assets at the beginning of the period	-	-	-
Issuance of 33,102,401 units			
- Capital value (at net asset value per unit at the beginning of the period)	3,310,240,026	-	3,310,240,026
- Element of income	35,789,670	-	35,789,670
Total proceeds on issuance of units	3,346,029,696	-	3,346,029,696
Redemption of 21,231,055 units			
- Capital value (at net asset value per unit at the beginning of the period)	(2,123,105,426)	-	(2,123,105,426)
- Element of income	(11,957,391)	(13,124,263)	(25,081,654)
Total payments on redemption of units	(2,135,062,817)	(13,124,263)	(2,148,187,080)
Total comprehensive income for the period	-	14,869,828	14,869,828
Distribution for the period ended June 30, 2026 @ Rs. 0.1382 per unit declared on April 21, 2026	(64,715)	(425,806)	(490,521)
Distribution for the period ended June 30, 2026 @ Rs. 1.9373 per unit declared on June 24, 2026	(21,780,961)	(703,799)	(22,484,761)
Net assets at the end of the period	1,189,121,203	615,960	1,189,737,162
Accounting income available for distribution			
- Relating to capital gains		398,900	
- Excluding capital gains		1,346,665	
		1,745,565	
Distribution for the period ended June 30, 2026 @ Rs. 0.1382 per unit declared on April 21, 2026		(425,806)	
Distribution for the period ended June 30, 2026 @ Rs. 1.9373 per unit declared on June 24, 2026		(703,799)	
Undistributed income carried forward		615,960	
Undistributed income carried forward		615,960	
- Realised income		615,960	
- Unrealised gain / (loss)		-	
		615,960	
		Rupees	
Net asset value per unit at the end of the period		100.2192	

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 --- (Rupees) ---
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		14,869,828
Adjustments for:		
Amortization expense		23,035
		14,892,863
Increase in assets		
Investments - net		(946,866,667)
Advances, deposits, prepayments and profit receivables		(12,954,329)
Formation cost		(560,525)
		(960,381,521)
Increase in liabilities		
Payable to Alfalah Asset Management Limited - Mangement Company		1,224,999
Payable to Central Depository Company of Pakistan Limited - Trustee		111,528
Payable to the Securities and Exchange Commission of Pakistan		63,730
Accrued expenses and other liabilities		3,088,646
		4,488,903
Net cash used in operating activities		(940,999,755)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units		3,346,029,696
Payments made against redemption of units		(2,148,187,080)
Dividend paid		(22,975,282)
Net cash generated from financing activities		1,174,867,334
Net increase in cash and cash equivalents during the period		233,867,579
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	5	233,867,579

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC INCOME GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM APRIL 16, 2026 TO JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah Islamic Income Growth Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Sindh Trusts Act, 2020, executed between Alfalah Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 16, 2025, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).
- 1.2** The Fund was established under the Sindh Trusts Act, 2020 (the Sindh Trust Act), promulgated pursuant to the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on December 09, 2025 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 16, 2026 which is valid for a period of three years with effect from March 9, 2026. The registered office of the Management Company is situated at Islamic Chambers of Commerce, Industry & Agriculture Building, 2nd Floor, ST-2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
- 1.4** Alfalah Islamic Income Growth Fund is an Open-end Shariah Compliant Aggressive Fixed Income Scheme, based on Wakalatul Istithmar structure. The objective of the Fund is to generate competitive, long-term, risk-adjusted returns by investing in medium to long-term Shariah compliant fixed income securities and money market instruments, while preserving capital over the long term.
- 1.5** VIS Credit Rating Company Limited has assigned an asset manager rating of AM1 (stable outlook) to the Management Company on January 26, 2026. The Fund has not yet been assigned a separate rating.
- 1.6** Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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:

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

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

There are no prior amounts of the statement of asset and liabilities, income statement, statement of other comprehensive income, statement of movement in unit holders' fund and the statement of cash flows as the Fund was launched on April 16, 2026.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except that certain financial assets are measured at fair value.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani rupees, which is the functional and presentation currency of the Fund.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years. Information about the judgments made by management in the application of the accounting policies, that have the most significant effect on the amount recognised in these financial statements, are given below:

- (i) Classification and measurement of financial assets (Notes 4.2.1, 4.2.2.1 and 6); and
- (ii) Impairment of financial assets (note 4.2.3).

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Amendments to published accounting and reporting standards that are effective for the year ended June 30, 2026

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these do not have any significant impact on the Fund's operations, therefore, have not been detailed in these financial statements.

3.2 New approved accounting standards, amendments and IFRS interpretations that are not yet effective

There are certain new standards and amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after April 16, 2026. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027, by IASB and SECP. IFRS 18 shall impact the presentation of "Income Statement" with certain additional disclosures in the financial statements.
- Amendments to IFRS 9 'Financial Instruments' which clarifies the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short-term highly liquid investments with original maturities of three months or less that, are readily convertible to known amount of cash, are subject to insignificant change in value, and are held for the purpose of meeting short term cash commitments.

4.2 Financial Instruments

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or liabilities, as appropriate, on initial recognition. Transaction costs pertaining to financial assets or financial liabilities at fair value through profit or loss are recognised in the income statement.

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

IFRS 9 has provided three principal classification categories for financial assets:

- At amortised cost ("AC");
- At fair value through other comprehensive income ("FVTOCI"); and
- At fair value through profit or loss ("FVTPL").

IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

Financial assets at FVTPL are subsequently carried at fair value with gains and losses arising from changes in fair value are recorded in the income statement.

Financial asset at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL;

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

Financial asset at FVTOCI

A financial asset is classified at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, and only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

Financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statement. In case of equity instrument, when the financial asset is derecognised there is no subsequent reclassification of fair value gains and losses to income statement.

Financial asset at FVTPL

All other financial assets are classified as FVTPL (for example: Equity securities held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

4.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories: IFRS 9 has provided two principal classification categories for financial liabilities:

- At amortised cost ("AC"); and
- At fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in income statement.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to income statement.

4.2.3 Impairment of financial assets

Under expected credit loss (ECL) model of IFRS 9, the Fund recognises loss allowances for ECLs on financial assets other than debt securities. The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of International Financial Reporting Standard (IFRS) 9 'Financial Instruments' in relation to debt securities for mutual funds. Accordingly, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. As allowed under circular no. 13 of 2009 dated May 04, 2009 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

4.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.5 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market (other than Govt ijarah sukuk) are valued at the average rates quoted on a widely used electronic quotation system (PKRV and PKFRV rates), which are based on the remaining tenor of the securities.

For unlisted Govt ijarah sukuk, the fair value is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP).

The government securities listed on stock exchange (for example Listed Gop Ijarah sukuk) are valued on their prices quoted on the Pakistan Stock Exchange Limited at reporting date.

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP).

In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non performing debt securities.

4.2.6 Regular way contract

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date i.e., the date on which the Fund commits to purchase or sell assets.

4.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

4.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Collaterals

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies such collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

4.6 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

The Fund is also exempt from the provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, to its unit holders.

4.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units of the Fund in circulation at the year-end.

4.8 Issuance and redemption of units

Units issued are recorded at the offer price, prevalent on the day on which the applications for purchase of units are received, however, units are issued on the receipt of cash / realisation of cheques. The offer price represents the net asset value per unit as at the close of the business day plus the allowable front-end sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the Management Company receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the Management Company may consider to be an appropriate provision of duties and charges, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.9 Distributions to unit holders

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP's) guidelines (duly consented upon by the SECP), distribution for the year is deemed to comprise of the portion of amount of income already paid on units redeemed during the year.

Distributions declared subsequent to the year-end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted for the effect of refund of capital, if any, based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the year of investment.

4.10 Element of income / (loss) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Mark-up / return on investments in debt and government securities is recognised using effective interest method.
- Profit on bank balances, placements and term deposits are recognised on accrual basis.

4.12 Treatment of Shariah non-compliant income

Income earned by the Fund may contain Shariah non-compliant income. The Fund is required to 'purify' the income it receives by excluding the element of impermissible income as charity. Such purification is carried out in accordance with the guidelines approved by the Shariah Advisor of the Fund. The charity has been recorded as an expense in the "Income statement" in the financial statement of the Fund.

4.13 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

4.14 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

			2026
5. BANK BALANCES	Note	----	(Rupees) ----
Saving account	5.1		233,867,579

5.1 This accounts carry profit rates ranging between 8% to 12.25% per annum.

			2026
6. INVESTMENTS	Note	----	(Rupees) ----
At fair value through profit or loss			
Corporate sukuks certificates	6.1		946,866,667
GOP ijarah sukuks	6.2		-
			946,866,667

6.1 Corporate sukuks certificates

Name of Security	Rating	Maturity Date	Profit Rate	Face Value				Balance as at June 30, 2026			Market value as percentage of	
				As at July 1, 2025	Purchased during the year	Sold / Matured During the year	As at June 30, 2026	Carrying Value	Market Value	Unrealised Appreciation / (Diminution)	Net assets of the fund	Total investments of the fund
				Rupees.....							%.....	
Air Link Communication Limited - Sukuk Certificate 11th Issue	A1	23-Oct-26	12.64%	-	50,000,000	-	50,000,000	50,000,000	50,000,000	-	4.20%	5.28%
Mahmood Textile Mills Limited - Sukuk Certificate - 5th Issue	A1	21-Oct-26	12.28%	-	50,000,000	-	50,000,000	50,000,000	50,000,000	-	4.20%	5.28%
Infraelectric Pvt Ltd - Green Sukuk II	A1	29-Dec-33	13.28%	-	76,866,667	-	76,866,667	76,866,667	76,866,667	-	6.46%	8.12%
Masood Spinning Mills Limited - Sukuk Certificate(3rd Issue)	A1	29-Dec-26	13.18%	-	150,000,000	-	150,000,000	150,000,000	150,000,000	-	12.61%	15.84%
Beacon Impex (Private) Limited - Short Term Sukuk II	A1	24-Dec-26	13.04%	-	100,000,000	-	100,000,000	100,000,000	100,000,000	-	8.41%	10.56%
Citi Pharma Limited - Sukuk Certificates - 4th Issue	A1	22-Dec-26	12.61%	-	150,000,000	-	150,000,000	150,000,000	150,000,000	-	12.61%	15.84%
Liberty Daharki Power Limited - SIs 1	A1	16-Dec-26	13.61%	-	120,000,000	-	120,000,000	120,000,000	120,000,000	-	10.09%	12.67%
Select Technologies Limited - Sukuk Certificate 5th Issue	A1	11-Dec-26	13.64%	-	150,000,000	-	150,000,000	150,000,000	150,000,000	-	12.61%	15.84%
Mahmood Textile Mills Limited - Sukuk Certificate - 6th Issue	A1	11-Dec-26	12.28%	-	100,000,000	-	100,000,000	100,000,000	100,000,000	-	8.00%	10.56%
Total as at June 30, 2026								946,866,667	946,866,667	-		
Total as at June 30, 2025								-	-	-		

6.2 GOP ijarah sukuks

Name of Security	Issue Date	Maturity Date	Profit Rate	As at July 1, 2025	Purchased during the year	Sold / Matured During the year	As at June 30, 2026	Balance as at June 30, 2026			Market value as percentage of	
								Carrying Value	Market Value	Unrealised Appreciation / (Diminution)	Net assets of the fund	Total investments of the fund
								Rupees.....			%	
GoP ijarah sukuk	29-Oct-21	26-Oct-26	10.77% to 11.05%	-	3,135	3,135	-	-	-	-	-	-
Total as at June 30, 2026								-	-	-		
Total as at June 30, 2025								-	-	-		

6.2.1 The Nominal value of Gop ijarah sukuks is Rs 100,000.

		2026 ---- (Rupees) ----
7. ADVANCES, DEPOSITS, PREPAYMENTS AND PROFIT RECEIVABLES	Note	
Profit receivable on:		
- Bank balances		6,938,304
- Sukuks		5,685,669
Deposits:		
- Central Depository Company of Pakistan Limited (CDC)		100,000
Advance tax	7.1	230,356
		<u>12,954,329</u>

- 7.1** As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, withholding tax on profit on bank balances paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-Vol.II-66417-R dated 12 May 2015, which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. As at the reporting date, the tax withheld amounts to Rs. 0.23 million.

	2026 ---- (Rupees) ----
8. PRELIMINARY EXPENSES AND FLOATATION COSTS	
Balance at the beginning of the period	560,525
Less: amortized during the period	<u>23,035</u>
Balance as at year end	<u>537,490</u>

- 8.1** Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortized over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

		2026 ---- (Rupees) ----
9. PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANGEMENT COMPANY	Note	
Management remuneration payable	9.1	454,004
Sindh Sales Tax payable on management remuneration	9.2	68,101
Preliminary expense and floatation costs		560,525
Other payable		142,369
		<u>1,224,999</u>

- 9.1** As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the maximum limit prescribed by SECP vide S.R.O. 600(I)/2025 dated April 10, 2025, i.e., 1.5% for the scheme categorised as Aggressive Fixed Income Scheme. The remuneration is payable to the Management Company monthly in arrears. During the period from April 16, 2026 to June 30, 2026, the Management Company has charged management fee at the rate of 0.7% per annum of average daily net assets of the Fund.

- 9.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% on the remuneration of Management Company through the Sindh Sales Tax on Services Act, 2011.

		2026 ---- (Rupees) ----
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	
Remuneration payable	10.1	96,981
Sindh Sales Tax payable on Trustee remuneration	10.2	14,547
		<u>111,528</u>

- 10.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, based on the daily net assets value of the fund. The remuneration is payable to the trustee at the rate of 0.075% per annum of the net assets of the Fund.

- 10.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

		2026 ----- (Rupees) -----
11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	
Fee payable	11.1	<u><u>63,730</u></u>

- 11.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged SECP fee at the rate of 0.075% per annum of the daily net assets during the period ended June 30, 2026.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

	2026 ---- (Rupees) ----
12. ACCRUED EXPENSES AND OTHER LIABILITIES	
Capital gain tax payable	2,271,301
Auditor's remuneration payable	601,372
Advisory fee payable	60,000
Annual listing Fee payable	5,973
Legal and professional charges	<u>150,000</u>
	<u><u>3,088,646</u></u>

13. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.34% which includes 0.18% representing Government levies, sales taxes and annual fee to the SECP. Pursuant to the amendments in the NBFC Regulations, 2008 by SECP vide Notification S.R.O. 600(I)/2025, dated April 10, 2025, the requirement related to maximum Total Expense Ratio limits has been removed as applicable to Collective Investment Schemes, effective from July 01, 2025.

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026.

	2026 ----- (Rupees) -----
15. AUDITOR'S REMUNERATION	
Annual audit fee	205,000
Fee for other certifications	45,000
Out of pocket expenses	<u>25,000</u>
	<u>275,000</u>
Sindh Sales Tax	<u>41,250</u>
	<u><u>316,250</u></u>

16. TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. Since the Management Company intends to distribute the income earned by the Fund for the period ending June 30, 2026 to the unit holders in the same manner as explained above, accordingly no provision for taxation has been made in these financial statements.

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.

- 16.1** "Through Finance Act, 2025, effective from July 1, 2025, amendment to the Income Tax Ordinance, 2001 was introduced through Section 151A whereby every custodian of debt securities including a banking company responsible to maintain Investor Portfolio Securities (IPS) Account on behalf of holder of a debt security shall at the time of disposal of debt securities including government securities deduct tax at the rate specified in the Income Tax Ordinance, 2001, on the gross amount of capital gain arising to such holder and deposit the same in government treasury. Accordingly, during the year, Rs. 146,035 were withheld by the custodian on disposal of securities. The Fund received the exemption certificate subsequent to year end, however, such exemption certificate disallowed the refund of previously withheld tax, therefore, the amount has been recorded as an expense.

Through the Finance Act, 2026 an amendment was introduced in Clause 47 (B) of part IV of the Second schedule of the Income Tax Ordinance, 2001, whereby, payments made to collective investment schemes (CIS) were made exempt from withholding tax under section 151A. "

17. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as determination of the cumulative weighted average number of units outstanding for calculating EPU is not practicable.

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah Investment Company Limited, JS Bank Limited and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with related parties / connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with related parties / connected persons are also in the normal course of business, at contracted rates duly approved by Board of Directors.

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

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

18.1 Unit Holders' Fund

2026								
	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at 30 June 2026	Issued for cash / conversion in / transfer in*	Dividend reinvested*	Redeemed / conversion out / transfer out*	Net assets value as at June 30, 2026 (Note 18.1.1)**/**
Note	(Units)				(Rupees)			

Associated companies / undertakings

Alfalah Asset Management Limited	18.1.1	8,736,101	1,037	8,737,138	-	884,052,870	103,650	889,297,507	-
Alfalah Strategic Allocation Fund	18.1.1	8,856,884	171,584	-	9,028,468	902,155,013	17,158,442	-	904,825,840

Unit holder holding 10% or more units	18.1.1	4,994,425	51,074	2,502,148	2,543,351	504,335,124	296,104,746	254,335,124	254,892,603
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* These amounts are based on transaction price.

** These amounts are based on the net asset value per unit at year end.

*** These include transactions and balances in relation to the entities where common directorship / key executive / other connected persons that exists as at the year end. However, it does not include the transactions and balances whose status changed during the year.

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2026

18.2 Transaction during the period

Associated companies / undertakings

Alfalah Asset Management Limited - Management Company

Remuneration of Alfalah Asset Management Limited	454,004
Sindh Sales Tax on remuneration of the Management Company	68,101

CDC Trustee Alfalah Stable Return Fund XXI

GoP ijara - purchased	199,640,000
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2026
----- (Rupees) -----

Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration of Central Depository Company of Pakistan Limited - Trustee
Sindh Sales Tax on remuneration of the Trustee

96,981
14,547

18.3 Amount outstanding as at period end

Associated companies / undertakings

Alfalah Asset Management Limited - Management Company

Management remuneration payable 454,004
Sindh Sales Tax payable on management remuneration 68,101
Preliminary expense and floatation costs 560,525
Other payable 142,369

Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable 96,981
Sindh Sales Tax payable on Trustee remuneration 14,547

19. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Bank balances
Investments
Deposit and other receivables

-----2026-----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----		
233,867,579	-	233,867,579
-	946,866,667	946,866,667
12,723,973	-	12,723,973
<u>246,591,552</u>	<u>946,866,667</u>	<u>1,193,458,219</u>
Financial liabilities		
Payable to Alfalah Asset Management Limited - Management Company		
1,224,999	-	1,224,999
Payable to Central Depository Company of Pakistan Limited - Trustee		
111,528	-	111,528
817,345	-	817,345
<u>2,153,872</u>	<u>-</u>	<u>2,153,872</u>

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, profit risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

20.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's profit bearing financial instruments is as follows:

	2026 ----- (Rupees) -----
Variable rate instruments (financial assets)	
Bank balances	233,867,579
Investments	946,866,667
	<u>1,180,734,246</u>

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds KIBOR based Sukuk certificates (Term Finance Certificates) and bank balances which expose the Fund to cash flow interest rate risk. In case of a 100 basis points increase/decrease in applicable rates on the last repricing date, the net income for the period and net assets of the Fund would have been higher/lower by Rs. 11.81 million. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

----- 2026 -----						
Effective profit rate	Exposed to profit risk			Not exposed to yield / interest rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	8% to 12.25%	233,867,579	-	-	233,867,579	
Investments	12.28% to 13.64%	-	870,000,000	76,866,667	946,866,667	
Deposit and other receivables		-	-	12,723,973	12,723,973	
		233,867,579	870,000,000	76,866,667	12,723,973	1,193,458,219
Financial liabilities						
Payable to Alfalah Asset Management Limited - Limited - Management Company		-	-	1,224,999	1,224,999	
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	111,528	111,528	
Accrued expenses and other liabilities		-	-	3,088,646	3,088,646	
		-	-	4,425,173	4,425,173	
On-balance sheet gap (a)		233,867,579	870,000,000	76,866,667	8,298,800	1,189,033,046
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap		233,867,579	870,000,000	76,866,667	8,298,800	1,189,033,046
Cumulative interest rate sensitivity gap (a) + (b)		233,867,579	1,103,867,579	1,180,734,246		

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2026, the Fund is not exposed to price risk.

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, security deposits and dividend and profit receivable.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent control established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

20.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	2026	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees)		
Bank balances	233,867,579	233,867,579
Investments	946,866,667	946,866,667
Deposit and other receivables	12,723,973	12,723,973
	1,193,458,219	1,193,458,219

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired at June 30, 2026.

20.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2026 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2026
			% of bank balances exposed to credit risk
Faysal Bank Limited	VIS	A1+ / AA+	100.00%

Above ratings are on the basis of available ratings assigned by VIS as of June 30, 2026.

Ratings of corporate sukuks certificates has been disclosed in related notes to the financial statements.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the liabilities that are payable on demand including bank balances have been included in the maturity grouping of one month.

----- 2026 -----			
Upto three month	More than three months and upto one year	More than one year	Total

Financial liabilities

Payable to Alfalah Asset Management

Limited - Management Company

Payable to Central Depository Company

of Pakistan Pakistan Limited - Trustee

Dividend payable

Accrued expenses and other liabilities

(Rupees)			
1,224,999	-	-	1,224,999
-	-	-	-
111,528	-	-	111,528
-	-	-	-
817,345	-	-	817,345
2,153,872	-	-	2,153,872

21. FAIR VALUE MEASUREMENT

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

Levels	Description	Valuation approach and input used
Level 1:	Quoted prices in active markets for identical assets or liabilities;	Not applicable
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	The government securities not listed on a stock exchange and traded are valued at the average rates quoted on electronic quotation system (PKRV / PKFRV / PKISRV). The fair value of debt securities (other than government securities) is based on value determined and announced by MUFAP.
Level 3:	Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).	Not applicable

As at June 30, 2026 the Fund held the following financial instruments measured at fair values:

	2026			
	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	(Rupees)			
Investments	-	946,866,667	-	946,866,667
	-	946,866,667	-	946,866,667

During the period ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22. UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The fund has maintained minimum size of one hundred million rupees at all time during the year.

23. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

24. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

25. GENERAL

25.1 Figures have been rounded off to the nearest Pakistani rupee.

25.2 Comparative figures are not presented in the financial statements, since the fund is incorporated in April 2026 i.e. during the period.

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 21, 2026 by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2026			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	6	2,796,687	280,281,705	24%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	1	46,191	4,629,178	0%
Others	1	9,028,469	904,826,279	76%
	8	11,871,346	1,189,737,162	100%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khorro – Chief Investment Officer
Mr. Faisal Ali Khan - Chief Financial Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Imad Ansari – Chief Risk Officer
Mr. Muddasir Ahmed Shaikh – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Ms. Sana Abdullah - Head of Research
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khorro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments. Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Faisal Ali Khan - Chief Financial Officer

Faisal Ali Khan is serving as Chief Financial Officer of Alfalah Investments and prior to joining he was associated with Faysal Funds where he served as CFO and Company Secretary. In past he has worked with reputed financial sector organizations including BMA Funds, Saudi Pak Industrial and Agricultural Company (Pvt.) Ltd, Attock Refinery Limited and KPMG. Mr. Khan is a fellow member of the Institute of Chartered Accountant of Pakistan having a professional experience of over nineteen years ranging from financial reporting, regulatory compliance, budgeting and taxation to corporate and secretarial practices including 15 years of experience in the asset management and investment advisory industry

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed

the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Mr. Imad Ansari – Chief Risk Officer

Mr. Imad Ansari is a seasoned Risk Professional with overall experience of 19 years (15 in financial sector and 4 years with leading television networks as Anchor/Research Analyst). He has extensive experience in implementing risk frameworks across the entity and funds under management, by combining Financial, Operational, Information Security and Business Continuity under the ambit of Enterprise Risk Management.

Before joining Alfalah Asset Management Limited as Chief Risk Officer, he has worked with HBL Asset Management, Faysal Funds, Al Meezan Investment Management Limited, UBL Funds, CNBC, PTV & Business Plus."

Mr. Muddasir Ahmed Shaikh – Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management. Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Ms. Sana Abdullah - Head of Research

Ms. Sana Abdullah, CFA, is the Head of Research at Alfalah Investments and has over 17 years of experience in the financial sector, primarily in equity and macroeconomic research, investment management and advisory. She has previously worked with Lakson Investments Limited, Tundra Fonder, Global Securities and other leading research and brokerage firms in Pakistan. She also previously served as Head of Separately Managed Accounts & Equity Portfolio Manager at Alfalah Investments. Sana is a CFA Charterholder and holds an MBA in MIS/Information Technology from Iqra University, Karachi, where she was a Gold Medalist.

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) MEETINGS OF BOARD OF DIRECTORS

The dates of the meetings of the Board of Directors of the Management Company of the fund and the attendance of its members are given below:

Name of Director	Meeting held on				
	August 16, 2025	October 29, 2025	January 8, 2026	February 26, 2026	April 27, 2026
Mr. Khaldoon Bin Latif	✓	✓	✓	✓	✓
Mr. Khalilullah Shaikh	✓	✓	Leave	✓	✓
Mr. Khaled Khanfer	✓	✓	✓	Leave	Leave
Ms. Ayesha Aziz	✓	✓	✓	✓	✓
Ms. Farooq Ahmed Khan	✓	✓	✓	✓	✓
Mr. Atif Bajwa	✓	✓	✓	✓	✓
Mr. Sohail Sultan	✓	✓	✓	Leave	✓
Mr. Zaigham Shariff	-	✓	✓	✓	✓

(v) **MEETINGS OF BOARD AUDIT COMMITTEE**

The dates of the meetings of the Board Audit Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on			
	August 15, 2025	October 28, 2025	February 25, 2026	April 23, 2026
Mr. Khaled Khanfer	✓	✓	✓	✓
Mr. Khalilullah Shaikh	✓	✓	✓	✓
Mr. Farooq Ahmed Khan	✓	✓	✓	✓

(vi) **MEETINGS OF BOARD RISK MANAGEMENT COMMITTEE**

The dates of the meetings of the Board Risk Management Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on			
	August 13, 2025	October 28, 2025	February 24, 2026	April 23, 2026
Mr. Khaled Khanfer	✓	✓	✓	✓
Mr. Khalilullah Shaikh	✓	✓	✓	✓
Mr. Farooq Ahmed Khan	✓	✓	✓	✓
Mr. Khaldoon Bin Latif	✓	✓	✓	✓

(vii) **MEETINGS OF BOARD HUMAN RESOURCE MANAGEMENT COMMITTEE**

The dates of the meetings of the Board Human Resource Management Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on		
	October 24, 2025	February 24, 2026	April 24, 2026
Mr. Zaigham Shariff	✓	✓	Leave
Mr. Farooq Ahmed Khan	✓	✓	✓
Ms. Ayesha Aziz	✓	✓	✓
Mr. Khaldoon Bin Latif	✓	✓	✓

(viii) **MEETINGS OF BOARD INVESTMENT COMMITTEE**

The dates of the meetings of the Board Investment Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on			
	August 15, 2025	October 28, 2025	February 23, 2026	April 20, 2026
Mr. Farooq Ahmed Khan	✓	✓	✓	✓
Mr. Sohail Sultan	✓	✓	✓	✓
Ms. Ayesha Aziz	✓	✓	✓	✓

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AIIGF

	30 June 2026
Net Assets	1,189,737,162
NAV per unit	100.2192
Selling price per unit	103.6768
Redemption price per unit	100.2192
Highest selling price per unit	107.6955
Highest redemption price per unit	104.1039
Lowest selling price per unit	103.4500
Lowest redemption price per unit	100.0000
1st interim distribution per unit	0.1382
Interim distribution date	21-Apr-26
2nd interim distribution per unit	1.9373
Interim distribution date	24-Jun-26
3rd interim distribution per unit	
Interim distribution date	
Annualized returns	11.67%
Income distribution	95.858%
Weighted avg. portfolio duration	0.46 Years

Return since inception is 11.71%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



Alfalah Islamic Asset Allocation Fund

FUND INFORMATION

Management Company:	Alfalalah Asset Management Limited
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khaled Khanfer Mr. Farooq Ahmed Khan Mr. Zaigham Sheriff Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee (BAC)	Mr. Khaled Khanfer Mr. Farooq Ahmed Khan Mr. Khalilullah Shaikh
Business Risk Management Committee (BRMC)	Mr. Khaled Khanfer Mr. Farooq Ahmed Khan Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO)
Human Resource & Remuneration Committee (HRRC)	Mr. Farooq Ahmed Khan Mr. Zaigham Sheriff Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Board Investment Committee (BIC)	Mr. Farooq Ahmed Khan Mr. Sohail Sultan Ms. Ayesha Aziz
Company Secretary:	Mr. Saad Haseeb Qureshi
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	MCB Islamic Bank Limited Allied Bank limited Bank Al-Falah Limited Bank Al-Habib Limited Dubai Islamic Bank Pakistan Faysal Bank Limited
Auditors:	Yousuf Adil Chartered Accountants. Cavish Court, A-35 Shahrah-e-Faisal Road, Bangalore Town Block A Bangalore Town, Karachi
Legal Advisor:	Mohsin Tayebaly & Co. 1st Floor, Dime Centre, BC-4, Block-9, Kehkashan, Clifton, Karachi – 75600. Pakistan.
Registrar:	Alfalalah Asset Management Limited Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah Islamic Asset Allocation Fund Plan

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Islamic Asset Allocation Scheme

Investment Objective

In accordance with the Investment Objective of the Fund, Alfalah Islamic Asset Allocation Plan-I shall provide competitive Shariah-compliant return to its investors by dynamically investing in various asset classes like equity, fixed income and money market instruments. It will actively adjust its asset allocation based on prevailing macroeconomic conditions to optimize returns, while strictly adhering to Islamic investment principles.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Equity Market Review:

1HCY26 Market Review: Navigating Through Volatility: The KSE-100 Index experienced significant volatility during the first half of 2026, reflecting a changing macroeconomic and geopolitical environment. The market entered the year on a strong footing, with the benchmark index reaching an all-time closing high of 189,167 points on 23 January 2026, supported by improving macroeconomic fundamentals, optimism surrounding external financing, and strong investor participation.

Market sentiment deteriorated sharply during the second quarter following the escalation of the Israel-Iran conflict, which heightened concerns over regional stability, rising global oil prices, and potential disruptions to shipping through the Strait of Hormuz. These developments triggered a broad-based market correction, with the KSE-100 declining to 146,480 points on 9 March 2026, representing a fall of nearly 23% from its January peak. The period also witnessed the index's largest-ever single-day decline of 9.57%, resulting in temporary trading halts.

Investor confidence gradually recovered during the latter part of the review period as geopolitical conditions improved, Saudi financial assistance and successful international debt issuances strengthened external financing prospects, and record workers' remittances reinforced macroeconomic stability. Although the State Bank of Pakistan increased the policy rate by 100 basis points to 11.50% in April 2026 to address inflationary risks, improving economic fundamentals helped restore market sentiment, allowing the KSE-100 to recover and close June at a record fiscal year-end level of 180,302 points. Trading activity remained robust throughout the period, with healthy participation from domestic investors offsetting continued foreign selling. Companies, mutual funds, and individual investors remained the primary net buyers, while foreign investors continued to reduce exposure amid global risk aversion and regional uncertainties.

By the end of June 2026, the KSE-100 was trading at a forward P/E of approximately 6.8x, remaining below its long-term historical average and indicating continued valuation attractiveness. Going forward, market performance is expected to be influenced by the implementation of the FY27 Federal Budget, the trajectory of inflation and interest rates, progress on external financing, and developments in the regional geopolitical landscape. While short-term volatility may persist, improving macroeconomic fundamentals are expected to remain supportive of the market over the medium term.

Money Market Review

Pakistan's money market remained relatively resilient during the first half of 2026, although market conditions became increasingly volatile amid evolving inflation expectations, geopolitical developments, and changing monetary policy outlook. Strong liquidity in the banking system and healthy demand for government securities continued to support participation in Treasury Bill (MTB), Pakistan Investment Bond (PIB), and Government Ijarah Sukuk (GIS) auctions during the early part of the period.

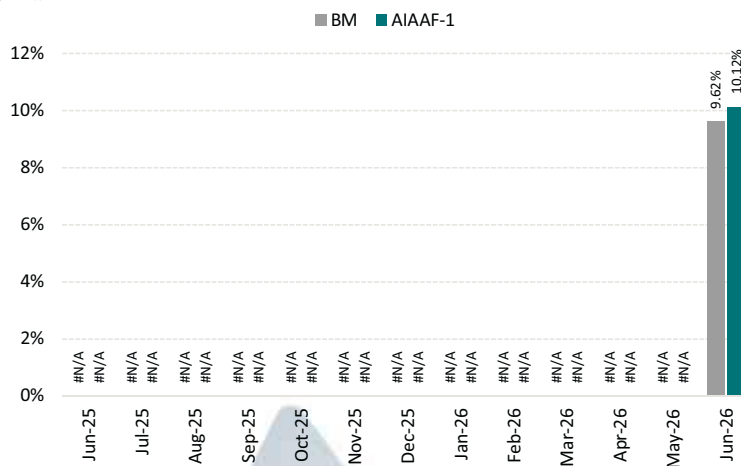
However, persistent core inflation, rising imports, elevated global energy prices, and heightened geopolitical tensions in the Middle East led to renewed inflationary concerns and a reassessment of monetary policy expectations. In response, the State Bank of Pakistan (SBP) increased the policy rate by 100 basis points to 11.50% in April 2026 after having maintained the policy rate at 10.50% at the start of the year. Earlier in the period, the SBP also reduced the Cash Reserve Requirement (CRR) by 100 basis points to improve liquidity conditions within the banking system. Money market yields remained volatile throughout the period. At the start of the year, Treasury Bill yields stood at 10.4859%, 10.4878%, 10.4799%, and 10.4880% for the 1-month, 3-month, 6-month, and 12-month tenors, respectively. Following a relatively stable start to the year, yields moved higher after the April policy rate hike as markets adjusted to tighter monetary conditions. Towards the end of June 2026, easing geopolitical tensions and moderating inflation expectations contributed to some correction in yields; however, they remained above the levels seen at the beginning of the year, closing at 11.7538%, 11.7031%, 11.7239%, and 11.7557% for the 1-month, 3-month, 6-month, and 12-month Treasury Bills, respectively.

Government securities continued to attract strong investor demand throughout the period, reflecting ample liquidity in the banking sector and sustained confidence in sovereign instruments. While monetary tightening temporarily lifted yields, improving macroeconomic conditions and easing external risks supported a moderation in yields by the end of June 2026.

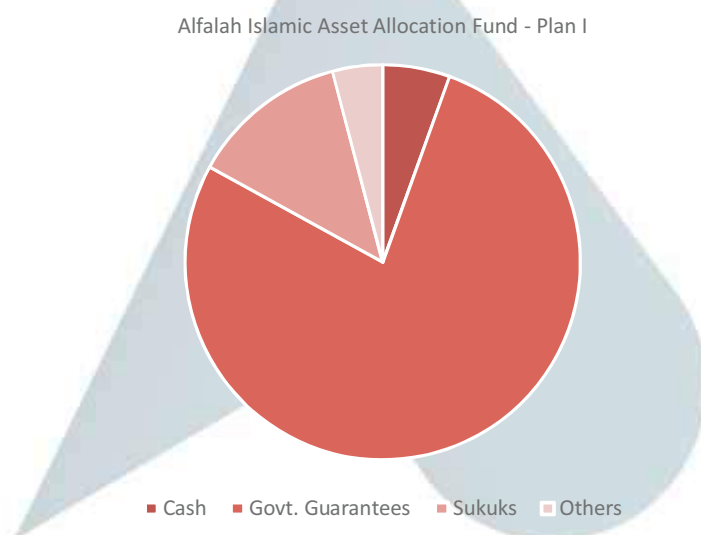
Fund Performance

During the year, the fund generated a return of 10.12% compared to the benchmark 9.62%.

Performance comparison with Benchmark



Assets Allocation



⇒ Description and explanation of any significant changes in the state of 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 year under review.

⇒ Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

⇒ Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

⇒ 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 dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

Head Office:

CDC House, 99-B, Block 'B'
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Karachi - 74400, Pakistan.
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Fax: (92-21) 34326021 - 23
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TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH ISLAMIC ASSET ALLOCATION FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Islamic Asset Allocation Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund from June 11, 2026 to June 30, 2026 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 21, 2026

September 17, 2026

AHSA/SSR/AAML/AIAAFP-1/616



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 2026, comply with the provided Shariah guidelines. Therefore, it is resolved that Alfalah Islamic Asset Allocation Fund Plan-I (AIAAFP-1) managed by Alfalah Asset Management Limited is Compliant and in accordance with Shariah principles.

During the year, Alfalah Islamic Asset Allocation Fund Plan-I (AIAAFP-1) did not book any charity amount.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited and Alfalah Asset Management Limited.



Mufti Irshad Ahmad Aijaz
Chairman Shariah Council



Faraz Younus Bandukda, CFA
Chief Executive



Mufti Javed Ahmed
Shariah Board Member
Alfalah Asset Management Limited

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To The Board of Directors of Alfalah Asset Management Limited (Management Company of Alfalah Islamic Asset Allocation Fund - Plan I)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of **Alfalah Islamic Asset Allocation Fund - Plan I (the Fund)** for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the period ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the period ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- a) legal and regulatory framework administered by the SECP;
- b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;
- c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;
- d) guidance and recommendations of the Shariah advisory committee, as notified by the SECP; and
- e) approvals, rulings or pronouncements of Shariah Supervisory board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above.

Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the period ended June 30, 2026, which are annexed.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts, and transactions, having Shariah implications, entered into by the Fund with its unit holders, other financial institutions and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.



The firm applies International Standard on Quality Management (ISQM -1), which requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

5. Our Responsibility and Summary of the Work Performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications, with Shariah principles in all material respects for the period ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts, and transactions for the period ended June 30, 2026, are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Shafqat Ali**.


Chartered Accountants

Date: September 22, 2026
Place: Karachi

INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of Alfalah Islamic Asset Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah Islamic Asset Allocation Fund** (the Fund), which comprise the statement of assets and liabilities as at **June 30, 2026**, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period from **June 11, 2026** to **June 30, 2026** then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at **June 30, 2026**, and of its financial performance and its cash flows for the period from **June 11, 2026** to **June 30, 2026** then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and Alfalah Asset Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Management Company (Alfalah Asset Management Limited) is responsible for the other information. The other information comprises the information included in the Annual Report in respect of the Fund but does not include the financial statements of the Fund, our auditor's report thereon and the information related to any other fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

The Management Company (Alfalah Asset Management Limited) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, The Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Y.A.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Arif Nazeer**.


Chartered Accountants

Place: Karachi

Date: September 29, 2026

UDIN: AR202610099xq0iCR9Uc

ALFALAH ISLAMIC ASSET ALLOCATION FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2026

		2026 ---- Rupees ----
ASSETS	Note	
Bank balances	5	8,467,988
Investments	6	140,286,440
Preliminary expenses and floatation costs		1,066,275
Security deposits	7	2,600,000
Prepayments, profits and other receivables	8	2,807,433
Total assets		155,228,136
LIABILITIES		
Payable to Alfalah Asset Management Limited - Management Company	9	3,828,644
Payable to the Central Depository Company Limited - Trustee	10	21,765
Payable to the Securities and Exchange Commission of Pakistan	11	8,990
Accrued expenses and other liabilities	12	388,498
Total liabilities		4,247,897
NET ASSETS		150,980,239
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		150,980,239
Contingencies and commitments	13	
		Number of units
Number of units in issue		1,501,480
		----- Rupees -----
Net assets value per unit		100.5543

The annexed notes from 1 to 26 and the annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ASSET ALLOCATION FUND

INCOME STATEMENT

FOR THE PERIOD FROM JUNE 11, 2026 TO JUNE 30, 2026

	Note	2026 ---- Rupees ----
INCOME		
Profit / mark up income	14	1,036,216
Capital gain on sale of investments - net		114,660
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.3	422,100
		536,760
Total income		1,572,976
EXPENSES		
Remuneration of Central Depository Company Limited - Trustee		18,926
Sindh Sales Tax on remuneration of the Trustee		2,839
Fees to the Securities and Exchange Commission of Pakistan		8,990
Auditor's remuneration	15	316,250
Brokerage expenses		1,139
Capital gain tax on debt securities	17.1	17,199
Settlement and bank charges		52,369
Total operating expenses		417,712
Net income for the period before taxation		1,155,264
Taxation	17	-
Net income for the period after taxation		1,155,264
Earnings per unit	18	
Allocation of net income for the period		
Net income for the period after taxation		1,155,264
Income already paid on units redeemed		(1,106,364)
		48,900
Accounting income available for distribution		
- Relating to capital gains		48,900
- Excluding capital gains		-
		48,900

The annexed notes from 1 to 26 and the annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

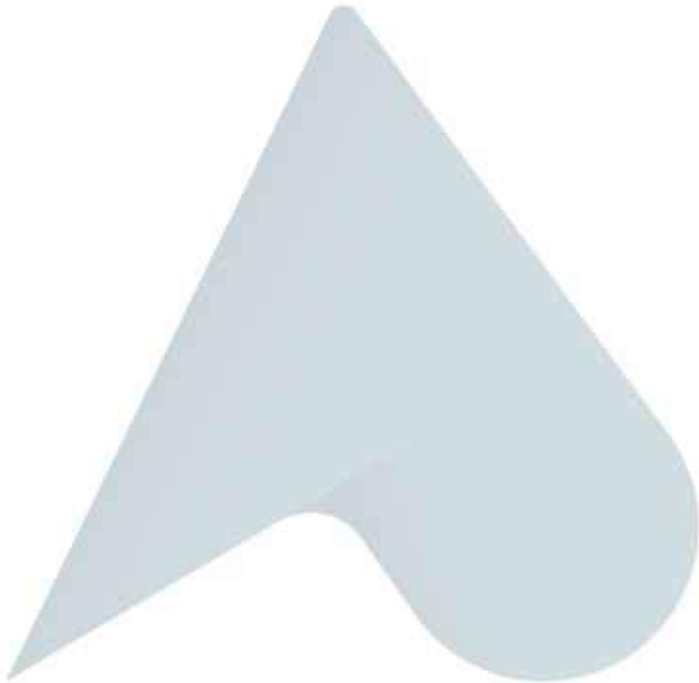
Chief Financial Officer

Director

ALFALAH ISLAMIC ASSET ALLOCATION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM APRIL 16, 2026 TO JUNE 30, 2026

	2026 --- Rupees ---
Net income for the period after taxation	1,155,264
Other comprehensive income for the period	-
Total comprehensive income for the period	1,155,264

The annexed notes from 1 to 26 and the annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ASSET ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE PERIOD FROM JUNE 11, 2026 TO JUNE 30, 2026

2026		
Capital Value	Undistributed income	Total
----- Rupees -----		
Issue of 4,201,419 units		
Capital value (at net asset value per unit at the beginning of the Period)		
Element of income		
Total proceeds on issuance of units		
Redemption of 2,699,939 units		
Capital value (at net asset value per unit at the beginning of the period)		
Element of income		
Total payments on redemption of units		
Total comprehensive income for the period		
Distribution during the year - 2026		
@ Rs. 0.0489 / Unit declared on June 12, 2026		
Net assets at the end of the period		
Rupees		
Accounting income available for distribution		
- Relating to capital gains		
- Excluding capital gains		
Distribution during the year - 2026		
@ Rs. 0.0489 / Unit declared on June 12, 2026		
Undistributed income carried forward		
Undistributed income carried forward		
- Realised gain / (loss)		
- Unrealised gain / (loss)		
Rupees		
Net assets value per unit at beginning of the period		
Net assets value per unit at end of the period		

The annexed notes from 1 to 26 and the annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ASSET ALLOCATION FUND

CASH FLOW STATEMENT

FOR THE PERIOD FROM JUNE 11, 2026 TO JUNE 30, 2026

	Note	2026 ---- Rupees ----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		1,155,264
Adjustments for:		
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.3	(422,100)
		733,164
Increase in assets		
Investments - Net		(139,864,340)
Security deposits		(2,600,000)
Prepayments, profits and other receivables		(2,807,433)
Formation cost		(1,066,275)
		(146,338,048)
Increase in liabilities		
Payable to Alfalah Asset Management Limited - Management Company		3,828,644
Payable to the Central Depository Company Limited- Trustee		21,765
Payable to the Securities and Exchange Commission of Pakistan		8,990
Accrued expenses and other liabilities		388,498
		4,247,897
Net cash flows used in operating activities		(141,356,987)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid		(48,900)
Net receipts from issuance of units		421,029,141
Net payments against redemption of units		(271,155,266)
Net cash flows generated from financing activities		149,824,975
Net increase in cash and cash equivalents		8,467,988
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	5	8,467,988

The annexed notes from 1 to 26 and the annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ASSET ALLOCATION FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM JUNE 11, 2026 TO JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah Islamic Asset Allocation Plan - I (the Fund) is an open-ended collective investment scheme constituted under a Trust Deed entered into on December 03, 2025 between Alfalah Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorized constitution of the Trust Deed vide letter no. SCD/AMCW/AIAAF/161/2025 dated December 01, 2025 in accordance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. Moreover, the Fund has been registered as a Trust under the Sindh Trust Act, 2020, and has been issued a Trust Registration Certificate.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd floor, ST-2/A, Block-9, KDA Scheme 5, Clifton Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3** The Fund has been categorized as a 'Shariah Compliant Asset Allocation Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of the Alfalah Islamic Asset Allocation Fund is to offer multiple shariah compliant investment plans and each investment plan shall provide competitive Shariah compliant returns by dynamically investing in various asset classes like equity, fixed income and money market instruments. It will actively adjust its asset allocation based on prevailing macroeconomic conditions to optimize returns, while strictly adhering to Islamic investment principles.
- 1.5** VIS Credit Rating Limited has assigned an asset manager rating of AM1 (stable outlook) to the Management Company on January 26, 2026.
- 1.6** The title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

There are no prior period amounts of the statement of asset and liabilities, income statement, statement of other comprehensive income, statement of movement in unit holders' fund and the statement of cash flows as the Fund was launched on December 03, 2025.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain financial assets are measured at fair value.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the functional and presentation currency of the Fund. All figures have been rounded off to the nearest Pakistani Rupee.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standard, as applicable in Pakistan, requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years. Information about the judgments made by management in the application of the accounting policies, that have the most significant effect on the amount recognised in these financial statements, are given below.

- (i) Classification and measurement of financial assets (notes 4.2.1, 4.2.2, and 6); and
- (ii) Impairment of financial assets (note 4.2.3).

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Amendments to published accounting and reporting standards that are effective for the year ended June 30, 2026

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on June 11, 2026. However, these do not have any significant impact on the Fund's operations, therefore, have not been detailed in these financial statements.

3.2 New approved accounting standards, amendments and IFRS interpretations that are not yet effective

There are certain new standards and amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2026. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027, by IASB and SECP. IFRS 18 shall impact the presentation of "Income Statement" with certain additional disclosures in the financial statements.
- Amendments to IFRS 9 'Financial Instruments' which clarifies the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short-term highly liquid investments with original maturities of three months or less that, are readily convertible to known amount of cash, are subject to insignificant change in value, and are held for the purpose of meeting short term cash commitments.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or liabilities, as appropriate, on initial recognition. Transaction costs pertaining to financial assets or financial liabilities at fair value through profit or loss are recognised in the income statement.

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets – Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income “(FVTOCI)”
- at fair value through profit or loss (FVTPL) based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

Financial asset at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL;

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

Financial asset at FVTOCI

A financial asset is classified at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, and only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

Financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statement. In case of equity instrument, when the financial asset is derecognised there is no subsequent reclassification of fair value gains and losses to income statement.

Financial asset at FVTPL

All other financial assets are classified as FVTPL (for example: Debt securities held for trading not classified either as AC or FVTOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

4.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories: IFRS 9 has provided two principal classification categories for financial liabilities:

- At amortised cost ("AC"); and
- At fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in income statement.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to income statement.

4.2.3 Impairment of financial assets

Under expected credit loss (ECL) model of IFRS 9, the Fund recognises loss allowances for ECLs on financial assets other than debt securities. The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of International Financial Reporting Standard (IFRS) 9 'Financial Instruments' in relation to debt securities for mutual funds. Accordingly, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. As allowed under circular no. 13 of 2009 dated May 04, 2009 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

4.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.5 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market (other than GoP ijarah sukuk) are valued at the average rates quoted on a widely used electronic quotation system (PKRV and PKFRV rates), which are based on the remaining tenor of the securities.

For unlisted GoP ijarah sukuk, the fair value is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP).

The government securities listed on stock exchange (for example Listed GoP ijarah sukuk) are valued on their prices quoted on the Pakistan Stock Exchange Limited at reporting date.

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP).

In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non performing debt securities.

4.2.6 Regular way contract

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

4.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Collaterals

Collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies such collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

4.6 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

The Fund is also exempt from the provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, to its unit holders.

4.7 Distributions to unit holders

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP's) guidelines (duly consented upon by the SECP), distribution for the year is deemed to comprise of the portion of amount of income already paid on units redeemed during the year.

Distributions declared subsequent to the year-end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted for the effect of refund of capital, if any, based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the year of investment.

4.8 Issuance and redemption of units

Units issued are recorded at the offer price, prevalent on the day on which the applications for purchase of units are received, however, units are issued on the receipt of cash / realisation of cheques. The offer price represents the net asset value per unit as at the close of the business day plus the allowable front-end sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the Management Company receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the Management Company may consider to be an appropriate provision of duties and charges, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.9 Element of income / (loss) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.10 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units of the Fund in circulation at the year-end.

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Mark-up / return on investments in debt, government securities and income from Marginal Trading System (MTS) is recognised using effective interest method.
- Profit on bank balances, placements and term deposits are recognised on accrual basis.

4.12 Treatment of Shariah non-compliant Income

Income earned by the Fund may contain Shariah non-compliant income. The Fund is required to "purify" the income it receives by excluding the element of impermissible income as charity. Such purification is carried out in accordance with the guidelines approved by the Shariah Advisor of the Fund. The charity has been recorded as an expense in the 'Income statement' in the financial statement of the Fund.

4.13 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

4.14 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the fund. These costs are subject to amortisation over a period of 5 year in accordance with the requirements set out in the Trust Deed of the Fund.

		2026	
		Note	--- Rupees ---
5 BANK BALANCES			
Balances with banks in savings accounts	5.1		8,467,988

5.1 These accounts carry markup rate at 12.50% per anum. These include bank balance of Rs. 0.010 million maintained with Bank Alfalah Limited (a related party).

		2026	
		Note	--- Rupees ---
6 INVESTMENTS			
At fair value through profit or loss			
GOP ijarah sukuk certificates	6.1		120,286,440
Corporate sukuk certificates	6.2		20,000,000
			140,286,440

6.1 GOP Ijara Sukuks

Government Securities

Name of the security	Profit payments / Principle redemptions	Issue Date	Maturity date	Profit rate	As at July 1, 2025	Purchases during the period	Sales / maturity during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution)	Percentage in relation to	
					(Number of certificates)			(Rupees)				Net assets of the Fund	Total market value of investment
GOP Ijarah Sukuk Certificates - 24 - VRR	Semi-annually	October 29, 2021	October 29, 2026	10.77%	-	147,693,540	27,829,200	119,864,340	119,864,340	120,286,440	422,100	79.67%	85.74%
Total as at June 30, 2026								119,864,340	120,286,440	422,100	79.67%	85.74%	
Total as at June 30, 2025								-	-	-	-	-	-

6.2 Sukuk certificates

Name of the security	Profit payments / Principle redemptions	Issue Date	Maturity date	Profit rate	As at July 1, 2025	Purchases during the period	Sales / maturity during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution)	Percentage in relation to	
					(Number of certificates)			(Rupees)				Net assets of the Fund	Total market value of investment
Citi Pharma Limited - Sukuk Certificates - 4th Issue (A+, VIS) (Face Value of Rs. 1,000,000)	Quarterly	June 22, 2026	December 22, 2026	12.61%	-	20,000,000	-	20,000,000	20,000,000	20,000,000	-	13.25%	14.26%
Total as at June 30, 2026								20,000,000	20,000,000	-	13.25%	14.26%	
Total as at June 30, 2025								-	-	-	-	-	-

		2026	
		Note	----- Rupees -----
6.3 Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss			
Market value of investments	6.1 & 6.2		140,286,440
Less: Carrying value of investments	6.1 & 6.2		(139,864,340)
			422,100

7 SECURITY DEPOSITS

Central Depository Company of Pakistan Limited	100,000
National Clearing Company of Pakistan Limited	2,500,000
	2,600,000

		2026
		----- Rupees -----
8 PREPAYMENTS PROFITS AND OTHER RECEIVABLES	Note	
Profit receivable on:		
Bank deposits		354,069
GOP ijarah and corporate sukuk certificates		2,363,363
		2,717,432
Prepaid expense		40,000
Other receivables		50,001
		<u>2,807,433</u>

9 PAYABLE TO ALFALAH ASSET MANGEMENT LIMITED - MANAGEMENT COMPANY

Preliminary expenses and floatation costs	9.1	<u>3,828,644</u>
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- 9.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over the 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.

		2026
		--- Rupees ---
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY LIMITED - TRUSTEE - RELATED PARTY	Note	
Trustee fee payable	10.1	18,926
Sindh sales tax payable on Trustee fee	10.2	2,839
		<u>21,765</u>

- 10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed.

On net assets	Fees
- Up to Rs. 1 billion	0.20% per annum of net assets.
- Over Rs.1 billion	Rs. 2 million plus 0.1% per annum of net assets, on amount exceeding Rs. 1 billion.

- 10.2 The provincial government of Sindh has levied Sindh Sales Tax at the rate of 15% on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

		2026
		--- Rupees ---
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	
Fee payable	11.1	<u>8,990</u>

- 11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the year ended June 30, 2026.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

		2026
		--- Rupees ---
12 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditor's remuneration payable		250,064
Brokerage payable		990
Sales Tax on brokerage payable		149
Capital gain tax payable on redemption		137,295
		<u>388,498</u>

13 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at June 30, 2026.

14 PROFIT ON BANK DEPOSIT	2026
	--- Rupees ---
Profit earned on savings account	354,069
Income from GOP and corporate sukuk certificates	682,147
	1,036,216
15 AUDITOR'S REMUNERATION	
Annual audit fee	205,000
Half yearly review and other certification	45,000
Out of pocket expenses	25,000
	275,000
Sale tax	41,250
	316,250

16 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund for the year ended June 30, 2026 is 0.65% which includes 0.04% representing government levy, SECP Fee and sales tax. Pursuant to the amendments in the NBFC Regulations, 2008 by SECP vide Notification S.R.O 600(I)/2025 dated April 10, 2025, the requirement related to maximum Total Expense Ratio limits has been removed as applicable to Collective Investment Schemes, effective from July 01, 2025.

17 TAXATION

The income of the Fund is exempt from income tax under 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 accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Further, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. During the year ended June 30, 2026, the Fund has distributed by way of cash dividend at minimum 90 percent of accounting income for the year as reduced by capital gains, whether realised or unrealised, to the unit holders. Accordingly, no provision for taxation has been recognised in the financial statements.

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.

- 17.1 Through Finance Act, 2025, effective from July 1, 2025, amendment to the Income Tax Ordinance, 2001 was introduced through Section 151A whereby every custodian of debt securities including a banking company responsible to maintain Investor Portfolio Securities (IPS) Account on behalf of holder of a debt security shall at the time of disposal of debt securities including government securities deduct tax at the rate specified in the Income Tax Ordinance, 2001, on the gross amount of capital gain arising to such holder and deposit the same in government treasury. Accordingly, during the year, Rs. 17,199 were withheld by the custodian on disposal of securities. The Fund received the exemption certificate subsequent to year end, however, such exemption certificate disallowed the refund of previously withheld tax, therefore, the amount has been recorded as an expense.

Through the Finance Act, 2026 an amendment was introduced in Clause 47 (B) of part IV of the Second schedule of the Income Tax Ordinance, 2001, whereby, payments made to collective investment schemes (CIS) were made exempt from withholding tax under section 151A.

18 EARNINGS PER UNIT

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

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah Investment Company Limited, JS Bank Limited and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with related parties / connected persons essentially comprise sale and redemption of units, formation costs, sales load, other charges and distribution payments to connected persons. The transactions with related parties / connected persons are also in the normal course of business, at contracted rates as duly approved by the Board of Directors.

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

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

19.1 Unit Holders' Fund

2026										
As at July 1, 2025	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2026	As at July 01, 2025**	Issued for cash / conversion in / transfer in*	Dividend reinvested*	Redeemed / conversion out / transfer out*	Net assets value as at June 30, 2026 (Note 19.1.1)**/**	
----- (Units) -----					----- (Rupees) -----					
Associated Companies / Undertakings										
Alfalsh Asset Management Limited	-	199,450	-	199,450	-	-	20,000,000	-	20,037,731	-
CDC-Trustee Alfalah Strategic Allocation Capital Preservation Plan II	-	1,000,000	489	997,769	2,720	-	100,000,000	48,900	100,000,000	273,508
Unit holder holding 10% or more Units	-	1,500,000	1,498,760	1,500,000	1,498,760	-	150,000,000	150,706,732	150,831,450	150,706,763

* These amounts are based on transaction price.

** These amounts are based on the net asset value per unit at year end.

*** These include transactions and balances in relation to the entities where common directorship / key executive / other connected persons that exists as at the year end. However, it does not include the transactions and balances whose status changed during the year.

19.1.1 This reflects the position of related party / connected persons status as at June 30, 2026

2026
---(Rupees)---

19.2 Transactions during the year

Associated companies / undertakings

Bank Alfalah Limited

Profit on bank balances

209,000

Other related party

Central Depository Company Limited - Trustee

Remuneration of the Trustee

18,926

Sindh Sales Tax on remuneration of the Trustee

2,839

19.3 Amounts outstanding as at year end

Associated companies / undertakings

Alfalsh Asset Management Limited - Management Company

Preliminary expenses and floatation cost payable

3,828,644

Bank Alfalah Limited

Bank balances held

10,000

Profit receivable on bank balances

209,000

Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable

18,926

Sindh sales tax on remuneration

2,839

20 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets			
Bank balances	8,467,988	-	8,467,988
Investments	-	140,286,440	140,286,440
Security deposits	2,600,000	-	2,600,000
Profits and other receivables	2,757,433	-	2,757,433
	13,825,421	140,286,440	154,111,861
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	3,828,644	-	3,828,644
Payable to the Central Depository Company Limited - Trustee	18,926	-	18,926
Accrued expenses and other liabilities	251,054	-	251,054
	4,098,624	-	4,098,624

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risks: profit rate risk, currency risk, and price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

21.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on accrued markup on bank deposits and sukuk certificates and its accrued markup. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

	2026 ----(Rupees)----
Variable rate instruments (financial assets)	
Balances with banks	8,467,988
GOP ijarah sukuk certificates	120,286,440
Corporate sukuk certificates	20,000,000
	148,754,428

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds GOP ijarah sukuks, bank balances and Corporate sukuks, which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 1.587 million.

b) Sensitivity analysis for fixed rate instruments

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and liabilities as at June 30, 2026 can be determined as follows:

Effective profit rate (%)	2026				
	Exposed to interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Rupees					
Financial assets					
Bank balances	12.50%	8,467,988	-	-	8,467,988
Investments	10.77% - 12.61%	20,000,000	120,286,440	-	140,286,440
Security deposits		-	-	2,600,000	2,600,000
Profits and other receivables		-	-	2,757,433	2,757,433
		28,467,988	120,286,440	-	154,111,861
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company		-	-	3,828,644	3,828,644
Payable to Central Depository Company Limited - Trustee		-	-	18,926	18,926
Accrued expenses and other liabilities		-	-	251,054	251,054
		-	-	4,098,624	4,098,624
On-balance sheet gap		28,467,988	120,286,440	-	1,258,809
Total interest rate sensitivity gap		28,467,988	120,286,440	-	
Cumulative interest rate sensitivity gap		28,467,988	148,754,428	148,754,428	

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2026, the Fund is not exposed to price risk.

21.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, liabilities that are payable on demand have been included in the maturity grouping of one month:

2026			
Upto three Months	More than three months and up to one year	More than one year	Total
Rupees			

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company
Payable to Central Depository Company Limited - Trustee
Accrued expenses and other liabilities

3,828,644	-	-	3,828,644
18,926	-	-	18,926
251,054	-	-	251,054
4,098,624	-	-	4,098,624

21.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the profit risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

21.3.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	2026	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees		
Bank balances	8,467,988	8,467,988
Investments	140,286,440	20,000,000
Security deposits	2,600,000	2,600,000
Profits and other receivables	2,757,433	456,256
	154,111,861	31,524,244

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets.

The difference in the balance as per statement of assets and liabilities and maximum exposure to credit risk is due to the fact that investment in GOP ijarah sukuku is not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2026.

21.3.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2026 with banks having following credit ratings:

Banks	Rating Agency	Rating (Short term) / (Long term)	June 30 2026
			% of financial assets exposed to credit risk
Faysal Bank Limited	PACRA	A1+ / AA+	99.88%
Bank Alfalah Limited	PACRA	A1+ / AAA	0.12%
			<u>100.00%</u>

21.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk.

22 FAIR VALUE MEASUREMENT

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

22.1 Fair value hierarchy

Levels	Description	Valuation approach and input used
Level 1:	Quoted prices in active markets for identical assets or liabilities;	Not applicable.
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	The government securities not listed on a stock exchange and traded are valued at the average rates quoted on electronic quotation system (PKRV / PKFRV / PKISRV). The fair value of debt securities (other than government securities) is based on value determined and announced by MUFAP.
Level 3:	Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).	Not applicable.

As at June 30, 2026 the Fund held the following assets measured at fair value:

As at June 30, 2026			
Level 1	Level 2	Level 3	Total
(Rupees)			

Financial assets 'at fair value through profit or loss'

GOP ijarah sukuk certificates	-	120,286,440	-	120,286,440
Corporate sukuk certificates	-	20,000,000	-	20,000,000
	-	140,286,440	-	140,286,440

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of the unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Funds' yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

24 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

25 GENERAL

25.1 Figures have been rounded off to the nearest Pakistani rupee.

25.2 Comparative figures are not presented in the financial statements, since the fund is incorporated in December 2025 i.e during the period.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 21, 2026 by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2026			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1	1,498,760	150,706,732	100%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	-	-	-	0%
Others	1	2,720	273,509	0%
	2	1,501,480	150,980,241	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2026 % AISOVF-I
Optimus Markets Pvt Ltd.	100%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khorro – Chief Investment Officer
Mr. Faisal Ali Khan - Chief Financial Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Imad Ansari – Chief Risk Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Ms. Sana Abdullah - Head of Research
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khorro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments. Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Faisal Ali Khan - Chief Financial Officer

Faisal Ali Khan is serving as Chief Financial Officer of Alfalah Investments and prior to joining he was associated with Faysal Funds where he served as CFO and Company Secretary. In past he has worked with reputed financial sector organizations including BMA Funds, Saudi Pak Industrial and Agricultural Company (Pvt.) Ltd, Attock Refinery Limited and KPMG. Mr. Khan is a fellow member of the Institute of Chartered Accountant of Pakistan having a professional experience of over nineteen years ranging from financial reporting, regulatory compliance, budgeting and taxation to corporate and secretarial practices including 15 years of experience in the asset management and investment advisory industry

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed

the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Mr. Imad Ansari – Chief Risk Officer

Mr. Imad Ansari is a seasoned Risk Professional with overall experience of 19 years (15 in financial sector and 4 years with leading television networks as Anchor/Research Analyst). He has extensive experience in implementing risk frameworks across the entity and funds under management, by combining Financial, Operational, Information Security and Business Continuity under the ambit of Enterprise Risk Management.

Before joining Alfalah Asset Management Limited as Chief Risk Officer, he has worked with HBL Asset Management, Faysal Funds, Al Meezan Investment Management Limited, UBL Funds, CNBC, PTV & Business Plus."

Mr. Muddasir Ahmed Shaikh – Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management. Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Ms. Sana Abdullah - Head of Research

Ms. Sana Abdullah, CFA, is the Head of Research at Alfalah Investments and has over 17 years of experience in the financial sector, primarily in equity and macroeconomic research, investment management and advisory. She has previously worked with Lakson Investments Limited, Tundra Fonder, Global Securities and other leading research and brokerage firms in Pakistan. She also previously served as Head of Separately Managed Accounts & Equity Portfolio Manager at Alfalah Investments. Sana is a CFA Charterholder and holds an MBA in MIS/Information Technology from Iqra University, Karachi, where she was a Gold Medalist.

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) MEETINGS OF BOARD OF DIRECTORS

The dates of the meetings of the Board of Directors of the Management Company of the fund and the attendance of its members are given below:

Name of Director	Meeting held on				
	August 16, 2025	October 29, 2025	January 8, 2026	February 26, 2026	April 27, 2026
Mr. Khaldoon Bin Latif	✓	✓	✓	✓	✓
Mr. Khalilullah Shaikh	✓	✓	Leave	✓	✓
Mr. Khaled Khanfer	✓	✓	✓	Leave	Leave
Ms. Ayesha Aziz	✓	✓	✓	✓	✓
Ms. Farooq Ahmed Khan	✓	✓	✓	✓	✓
Mr. Atif Bajwa	✓	✓	✓	✓	✓
Mr. Sohail Sultan	✓	✓	✓	Leave	✓
Mr. Zaigham Shariff	-	✓	✓	✓	✓

(v) **MEETINGS OF BOARD AUDIT COMMITTEE**

The dates of the meetings of the Board Audit Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on			
	August 15, 2025	October 28, 2025	February 25, 2026	April 23, 2026
Mr. Khaled Khanfer	✓	✓	✓	✓
Mr. Khalilullah Shaikh	✓	✓	✓	✓
Mr. Farooq Ahmed Khan	✓	✓	✓	✓

(vi) **MEETINGS OF BOARD RISK MANAGEMENT COMMITTEE**

The dates of the meetings of the Board Risk Management Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on			
	August 13, 2025	October 28, 2025	February 24, 2026	April 23, 2026
Mr. Khaled Khanfer	✓	✓	✓	✓
Mr. Khalilullah Shaikh	✓	✓	✓	✓
Mr. Farooq Ahmed Khan	✓	✓	✓	✓
Mr. Khaldoon Bin Latif	✓	✓	✓	✓

(vii) **MEETINGS OF BOARD HUMAN RESOURCE MANAGEMENT COMMITTEE**

The dates of the meetings of the Board Human Resource Management Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on		
	October 24, 2025	February 24, 2026	April 24, 2026
Mr. Zaigham Shariff	✓	✓	Leave
Mr. Farooq Ahmed Khan	✓	✓	✓
Ms. Ayesha Aziz	✓	✓	✓
Mr. Khaldoon Bin Latif	✓	✓	✓

(viii) **MEETINGS OF BOARD INVESTMENT COMMITTEE**

The dates of the meetings of the Board Investment Committee of the Management Company of the fund and the attendance of its members are given below

Name of Director	Meeting held on			
	August 15, 2025	October 28, 2025	February 23, 2026	April 20, 2026
Mr. Farooq Ahmed Khan	✓	✓	✓	✓
Mr. Sohail Sultan	✓	✓	✓	✓
Ms. Ayesha Aziz	✓	✓	✓	✓

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
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PERFORMANCE TABLE - AIAAP-I

	30 June 2026
Net Assets	150,980
NAV per unit	100.5543
Selling price per unit	104.0234
Redemption price per unit	100.5543
Highest selling price per unit	104.0234
Highest redemption price per unit	100.5543
Lowest selling price per unit	103.7798
Lowest redemption price per unit	100.3188
1st interim distribution per unit	0.0489
1st interim distribution date	Jun 12, 2026
Annualized returns	10.12%
Income distribution	0.05%
Weighted avg. portfolio duration	-

Return since inception is **11.89%**.

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

