Quarterly Report
September 30, 2026
(Un-audited)

AKD
Aggressive Income Fund

Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit form the Experience

AKD Investment Management Ltd.

CORPORATE INFORMATION

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY
Chairman
Mr. Khalid Mehmood

Chief Executive Officer
Mr. Imran Motiwala

Director(s)
Ms. Anum Dhedhi
Mr. Kanwar Adeel Zaman
Mr. Muhammad Amin Faheem
Mr. Brig. Aamer Sarwar, SI(M) Retd.
Mr. Abid Hussain

COMPANY SECRETARY OF THE MANAGEMENT COMPANY
Mr. Munir Hussain

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY
Mr. Obaid Qazi

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY
Mr. Khurram Ali

AUDIT AND RISK MANAGEMENT COMMITTEE
Mr. Abid Hussain (Chairman)
Mr. Kanwar Adeel Zaman (Member)
Mr. Muhammad Amin Faheem (Member)
Mr. Brig. Aamer Sarwar, SI(M) Retd. (Member)
Mr. Khurram Ali (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) AND NOMINATION COMMITTEE
Mr. Abid Hussain (Chairman)
Mr. Imran Motiwala (Member)
Ms. Anum Dhedhi (Member)
Mr. Munir Hussain (Secretary)

RATING
AKD Investment Management Limited AM2 (AM Two) issued by PACRA

VISION

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

MISSION STATEMENT

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

AKD Investment Management Ltd.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), Golden Arrow Stock Fund (GASF), AKD Index Tracker Fund (AKDITF), AKD Islamic Stock Fund (AKDISSF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), AKD Islamic Cash Fund (AKDICF) (Formerly: AKD Islamic Daily Dividend Fund), and AKD Alpha Income Fund (AKDALIF) is pleased to present its first quarter report along with the funds' unaudited financial statements for the quarter ended September 30, 2026.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)
For the 1QFY27, the return of AKD Opportunity Fund stood at -1.24% compared to the benchmark KSE–100 Index return of -5.73%.

Golden Arrow Stock Fund (GASF)
For the 1QFY27, the return of Golden Arrow Stock Fund stood at -5.40% compared to the benchmark KSE–100 Index return of -5.73%.

AKD Islamic Stock Fund (AKDISSF)
For the 1QFY27, the return of AKD Islamic Stock Fund stood at -7.96% compared to the benchmark KMI–30 Index return of -5.33%.

AKD Index Tracker Fund (AKDITF)
For the 1QFY27, the return of AKD Index Tracker Fund stood at -5.82% compared to the benchmark KSE–100 Index return of -5.73%.

AKD Cash Fund (AKDCF)
For the 1QFY27, the annualized return of AKD Cash Fund stood at 10.96% compared to the benchmark return of 11.28%.

AKD Islamic Income Fund (AKDISIF)
For the 1QFY27, the annualized return of AKD Islamic Income Fund stood at 7.85% compared to the benchmark return of 9.46%.

AKD Aggressive Income Fund (AKDAIF)
For the 1QFY27, the annualized return of AKD Aggressive Income Fund stood at 11.05% compared to the benchmark return of 11.83%.

AKD Islamic Cash Fund (AKDICF) - (Formerly: AKD Islamic Daily Dividend Fund)
For the 1QFY26, the annualized return of AKD Islamic Cash Fund (Formerly: AKD Islamic Daily Dividend Fund) stood at 10.94% compared to the benchmark return of 10.01%.

AKD Alpha Income Fund (AKDALIF)
For the 1QFY27, the annualized return of AKD Alpha Income Fund stood at 10.59% compared to the benchmark return of 11.83%.

MACROECONOMIC REVIEW

Pakistan's macroeconomic environment became more challenging during 1QFY27 as renewed inflationary pressures and escalating geopolitical tensions tested the gains achieved during the preceding stabilization phase. While stronger foreign exchange reserves, continued engagement with the International Monetary Fund (IMF) and improved access to external financing provided important support, the prolonged US–Iran conflict deepened uncertainty surrounding global energy prices, shipping costs and external balances. On September 10, 2026, Brent and WTI both traded above USD 100 per barrel, amid escalating attacks on shipping and concerns over supply disruptions. These developments increased the risk of imported inflation and complicated the policy trade-off between containing price pressures and supporting economic activity. Consequently, the quarter reflected continued stabilization under less favorable conditions, with the outlook increasingly dependent on inflation dynamics, energy prices and external financing.

At its meeting held on September 14, 2026, the Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) maintained the policy rate at 11.50%, maintaining its assessment that the prevailing stance remains appropriate to anchor inflation within the medium-term target range of 5–7%. The Committee noted that domestic economic activity remained broadly aligned with earlier expectations, while the inflation outlook was subject to renewed upside risks stemming from heightened geopolitical tensions, elevated global commodity prices and rising inflation expectations. On the growth front, the SBP retained its FY27 GDP growth projection at 3.5–4.5%, although heightened external vulnerabilities, energy price volatility and persistent domestic inflationary pressures remain key risks to the economic outlook. A further escalation in imported energy costs could amplify inflationary pressures, potentially necessitating a prolonged restrictive monetary policy stance or additional tightening

Inflation remained a key macroeconomic concern during 1QFY27, with average Consumer Price Index (CPI) inflation reaching 10.20%, compared with 4.30% in 1QFY26. Headline inflation accelerated to 11.15% YoY in August 2026 from 9.20% in July before moderating to 10.26% in September. Core inflation (urban non-food, non-energy) eased to 8.6% YoY in September from 8.8% in August, indicating some moderation in underlying price momentum. Even so, higher transportation, energy and other input costs continue to erode household purchasing power and raise business operating expenses. Second-round effects remain the principal risk. A durable decline in both headline and core inflation is required to ease price pressures and give monetary policy greater flexibility without compromising price stability.

The external account presented a mixed picture during 1QFY27, as export growth and strong remittances provided support, but relatively expensive import growth widened external imbalances. Goods exports increased 7.65% YoY to USD 8.45bn in July–September FY27, while goods imports rose 14.31% to USD 17.78bn, widening the merchandise trade deficit to USD 9.33bn. Workers' remittances grew approximately 14.04% YoY to USD 10.87bn, an important source of foreign exchange inflows providing much needed support. However, these were not enough to prevent the current account deficit from widening to USD 874mn, from USD 755mn in 1QFY26 albeit still contained. The SBP expects the current account deficit to remain within 0–1% of GDP in FY27. Elevated oil prices could further increase the import bill and weigh on the external balance, underscoring the need to strengthen export competitiveness, maintain remittance inflows and manage import growth.

External buffers remained an important source of resilience. SBP foreign exchange reserves stood at approximately USD 21.51bn as of September 2026, while total liquid foreign exchange reserves reached

USD 26.34bn. The USD 3bn Eurobonds issuance and Moody's upgrade of the sovereign rating to B3 with a stable outlook further supported external financing flexibility and reflected an improved credit profile. Maintaining reserve adequacy will require timely external inflows, prudent debt management, continued remittance growth and stronger export competitiveness. A prolonged rise in energy import costs or a deterioration in global risk sentiment could imminently test these buffers.

Fiscal consolidation remains central to the stabilization framework, although revenue mobilization and expenditure pressures continue. The fiscal deficit widened to PKR 596.6bn, or 0.4% of GDP, in July 2026, from PKR 261.5bn a year earlier, largely reflecting higher federal interest payments of PKR 792.9bn against PKR 490.4bn in the previous year. The government nonetheless maintained a primary surplus of PKR 196.3bn (0.1% of GDP) against a surplus of PKR 228.9bn a year earlier. Provisional FBR collection reached PKR 3.08tn in 1QFY27, impressively exceeding the quarterly target by approximately PKR 30bn. Achieving the FY27 tax target of PKR 15.26tn will however require a broader tax base and improved compliance. The FY26 fiscal outturn also benefited from an SBP profit transfer of PKR 1.9tn against the budgeted PKR 1.4tn, highlighting the need to strengthen recurring revenues and reduce reliance on exceptional receipts. High interest costs and energy prices could further constrain fiscal flexibility, particularly if additional measures are needed to cushion consumers. This reinforces the importance of expenditure discipline and continued IMF-supported reforms.

Overall, 1QFY27 demonstrated real progress in strengthening Pakistan's macroeconomic resilience, alongside continued exposure to external shocks and domestic uncertainty. The prolonged US–Iran conflict and threats to regional energy infrastructure raise risks to oil prices, shipping costs and supply chains, with implications for inflation, the import bill, corporate profitability and the external balance. Domestic political uncertainty adds a further risk to policy continuity and the implementation of fiscal and structural reforms. Stronger reserves, robust remittance inflows and improved external financing are important buffers, but double-digit inflation and a wider trade deficit continue to limit policy flexibility. Preserving the gains of the stabilization phase will require disciplined monetary and fiscal management, consistent reform execution, stronger export competitiveness and effective management of imported inflation.

EQUITY MARKET REVIEW

Pakistan's equity market came under pressure in 1QFY27 as escalating geopolitical tensions and domestic political uncertainty weakened investor sentiment. The KSE-100 Index declined 5.73% to close at 169,969 points, from 180,302 points at the end of FY26. The decline reflected concerns over the US–Iran conflict and higher oil prices, and their implications for the external account, inflation outlook and interest rates. These risks increasingly outweighed the support from macroeconomic stabilization and corporate earnings, prompting investors to reassess the sustainability of the previous year's rally.

Geopolitical tensions were the main source of volatility throughout the quarter. Renewed US–Iran hostilities, attacks involving Yemen's Houthis and Saudi Arabia, and uncertainty over shipping through the Strait of Hormuz raised concerns over regional energy supplies. Brent crude traded above USD 110/bbl in September 2026, raising the prospect of a higher energy import bill and fresh pressure on domestic prices. The KSE-100 fell 2.75% in the week ended September 11, 2026 amid worries over regional stability and oil prices. A prolonged conflict would also add to uncertainty over Pakistan's external financing needs and the durability of its macroeconomic recovery.

Domestic politics compounded the external pressures. Opposition-led protests, tighter security measures and road closures linked to PTI's planned demonstrations in Islamabad in September reinforced concerns over political stability, policy continuity and potential disruption to commercial activity. Against an already challenging external backdrop, these developments clouded the investment outlook and deepened investor caution.

The economic implications of these risks became more pronounced as inflation accelerated to 11.15% YoY in August 2026 from 9.20% YoY in July. The SBP held its policy rate at 11.50% in its September 14, 2026 meeting, amid geopolitical uncertainty, rising global commodity prices and ongoing supply-chain disruptions. The combination of higher inflation and an unchanged policy rate complicated expectations of monetary easing, while higher energy costs threaten corporate margins and the external account. Uncertainty surrounding the IMF review further underscored the importance of preserving macroeconomic stability.

Sectoral performance diverged considerably. Refineries led, with sector market capitalization up 62.91%. This followed the signing of upgrade agreements by refineries on September 24, 2026 under the Brownfield Petroleum Refining Policy 2026, which involves approximately USD 5bn of planned investment over five years. REITs (+11.85%), Insurance (+5.03%), Synthetic and rayon (+7.27%) and Textile Spinning (+5.97%) also advanced. Weakness was broad-based across several major sectors, including Cement (-10.86%), Commercial Banks (-3.78%), Oil and Gas Exploration (-4.84%), Pharmaceuticals (-20.37%) and Power Generation and Distribution (-18.08%), highlighting the breadth of weakness across several major sectors.

Market sentiment will remain sensitive to developments in the Middle East, domestic political stability and progress under the IMF-supported program. A durable easing of geopolitical tensions could moderate oil prices and reduce pressure on inflation and the external account. Further escalation could prompt additional monetary tightening and weigh on corporate profitability. Greater political predictability and policy continuity would also help restore investor confidence. We maintain a cautiously constructive medium-term view, but a durable recovery will depend on external stability, improved earnings visibility and disciplined valuations rather than multiple expansion alone.

FIXED INCOME REVIEW

The fixed income market entered 1QFY27 with a more cautious rate outlook as the inflation rebound and elevated geopolitical risk challenged expectations of monetary easing. The SBP held its policy rate at 11.50% in both July and September 2026, following the 100bps increase in April 2026. The rise in headline inflation to 11.15% YoY in August 2026 reinforced concerns that the policy rate could stay high for longer. Treasury bill yields remained close to, or above, the policy rate, with the 12-month cut-off yield reaching approximately 12.50% at the October 14, 2026 auction. The repricing marks a shift in market focus from the timing of rate cuts to the persistence of inflation and the likely duration of the restrictive stance.

At the October 7, 2026 auction, cut-off yields on fixed-rate Pakistan Investment Bonds (PIBs) stood at 12.7950% for the 2-year tenor, 12.7460% for the 3-year, 12.8998% for the 5-year and 12.8500% for the 10-year. Cut-off yields rose by approximately 26–41bps from the September 18, 2026 auction. The yield curve remains relatively flat across the 2 to 10-year range. Market performance depends increasingly on

the balance between carry income and the risk of further yield increases, rather than on broad-based capital gains. A durable rally in government securities will likely require clearer evidence of disinflation and greater confidence in the monetary policy trajectory. Fresh energy price shocks or persistent inflationary pressures could keep yields elevated and limit duration-led returns.

Primary market activity in 1QFY27 remained active, reflecting continued reliance on domestic debt markets for fiscal financing.

Market Treasury Bills (MTBs): The SBP conducted six (6) auctions, raising PKR 4.86tn against a target of PKR 5.05tn. Weighted average yields on 1, 3, 6 and 12-month MTBs were 11.39%, 11.47%, 11.61% and 11.82%, up 52bps, 66bps, 83bps and 96bps from 10.87%, 10.81%, 10.78% and 10.86% a year earlier.

Pakistan Investment Bonds (PIBs): To meet longer-term funding requirements, the SBP conducted three (3) fixed-rate auctions and raised PKR 1.66tn. Weighted average yields on 3, 5 and 10-year PIBs rose to 11.70%, 11.78% and 12.23%, up 57bps, 35bps and 7bps from 11.13%, 11.43% and 12.16% a year earlier.

GOP Ijara Sukuk: In the Shariah-compliant segment, ten (10) auctions were conducted through the Pakistan Stock Exchange, covering Variable Rental Rate (VRR), Fixed Rental Rate (FRR) and Fixed Rate Discounted (FRD) instruments. These raised PKR 1.41tn against a target of PKR 1.60tn.

Looking ahead, under the October–December 2026 auction calendars, the SBP plans to raise PKR 5.30tn through 1 to 12-month Market Treasury Bills (MTBs), against maturities of PKR 5.65tn, and PKR 1.05tn through 2 to 15-year fixed-rate Pakistan Investment Bonds (PIBs), against maturities of PKR 77bn. Additionally, the GOP Ijara Sukuk auction target for the period stands at PKR 2.08tn.

FUTURE OUTLOOK

Pakistan enters the remainder of FY27 with stronger external buffers and a more credible stabilization framework. Preserving these gains will depend on managing inflation, energy market volatility and domestic political uncertainty. Elevated global oil prices and a widening trade deficit pose risks to the external account, inflation and monetary policy flexibility. With the policy rate at 11.50%, the scope for easing will depend on how persistent inflation proves and how far external shocks feed through to domestic prices, while an increase in rates cannot be ruled out if inflationary pressures persist.

Geopolitical developments remain the key near-term risk, particularly the US–Iran conflict, the Israeli parliamentary elections on October 27, 2026 and the US midterm elections on November 3, 2026. These events could influence regional security dynamics and global energy markets. Further escalation could raise Pakistan's import bill, delay disinflation and keep market yields elevated. Over the longer term, Pakistan's deepening strategic engagement with Saudi Arabia and Türkiye, reinforced by the Makkah Joint Defence Agreement, could create opportunities in defense production, technology and regional cooperation. Turning these relationships into tangible economic benefits will depend on the realization of investment, trade and commercial commitments.

Ongoing political confrontation between the government and the opposition, particularly escalating tensions surrounding PTI, could complicate governance, disrupt policy implementation and undermine investor confidence. The risk of further protests could also distract from the economic reform agenda.

The IMF's October 7, 2026 staff-level agreement on the fourth Extended Fund Facility (EFF) review and third Resilience and Sustainability Facility (RSF) review is a positive development for external financing and policy continuity, although the anticipated USD 1.21bn in disbursements remains subject to Executive Board approval. Progress on privatization and structural reforms will be important to improve the efficiency of state owned enterprises, attract private capital and ease fiscal pressure. Energy sector reforms and measures to contain circular debt remain essential to address structural vulnerabilities and strengthen fiscal sustainability.

Our outlook for financial markets is cautiously constructive, with returns increasingly driven by fundamentals rather than valuation expansion. In equities, performance will hinge on earnings resilience, dividend sustainability and companies' ability to manage higher input costs amid uncertain demand. The KSE-100's reported P/E of 6.10x at the end of September 2026, equivalent to an earnings yield of approximately 16.40%, offers valuation support, although further gains will depend on earnings delivery and investor risk appetite. In fixed income, elevated yields offer carry opportunities, while meaningful capital gains will require durable disinflation and greater clarity on the monetary easing cycle. Preserving macroeconomic stability, maintaining reform momentum and reducing geopolitical and political uncertainty will be critical to supporting investor confidence. We continue to favor a selective investment approach, disciplined valuation assessment and prudent duration management across asset classes.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Khalid Mahmood
Chairman

Karachi: October 29, 2026

FUND INFORMATION

AKD Aggressive Income Fund

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

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

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

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

Bankers
ABHI Microfinance Bank Ltd.
Apna Microfinance Bank Limited
Askari Bank Limited
Bank Al Falah Limited
Bank Al Habib Limited
Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Mobilink Microfinance Bank Limited
NRSP Microfinance Bank Limited
U Microfinance Bank Limited

Distributor
ITMinds Limited

Auditors
M/s BDO Ebrahim & Co.
Chartered Accountants 2nd
Floor, Block- C, Lakson Square
Buiding No.1, Karachi-74200

Rating-AKDAIF
PACRA: A+(f)

FUND MANAGER'S REPORT

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

Open – end Aggressive Fixed Income Scheme.

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

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

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

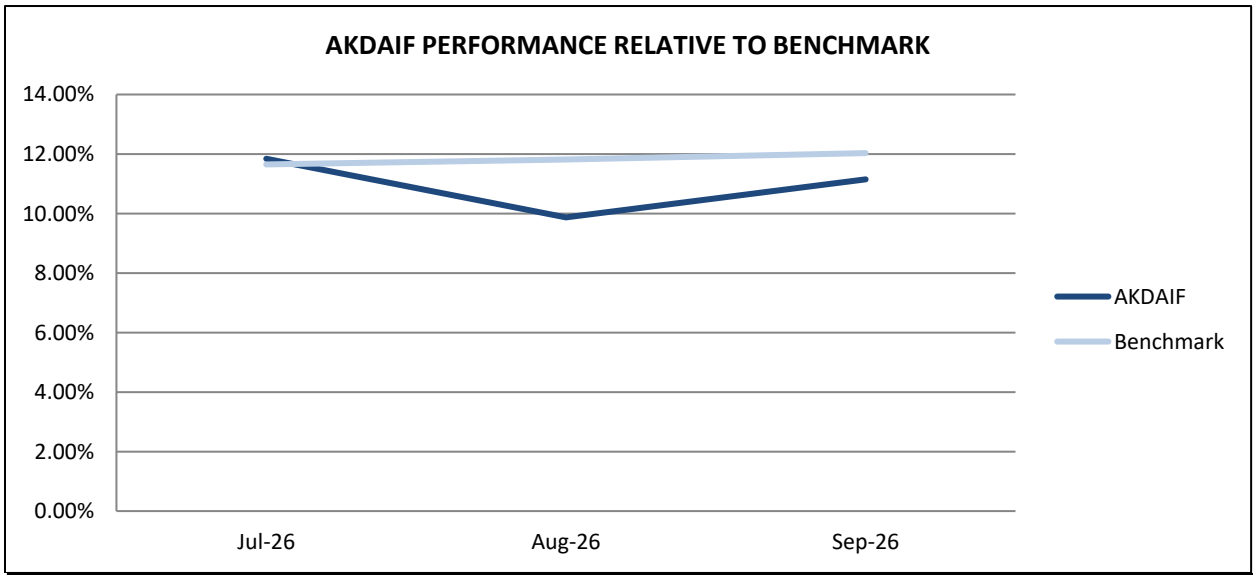
For the 1QFY27, the annualized return of AKD Aggressive Income Fund stood at 11.05% as compared to the benchmark return of 11.83%.

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

90% twelve (12) months KIBOR + 10% twelve (12) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP.

Note: Benchmark has been changed effective from 1-Jan-2025; previously One (1) Year KIBOR.

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



Monthly Return (annualized)	Jul-26	Aug-26	Sep-26
AKDAIF	11.84%	9.87%	11.15%
Benchmark	11.65%	11.82%	12.03%

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

AKD Aggressive Income Fund is an open – end Aggressive Fixed Income Scheme. The returns of the fund are generated primarily through investment in government securities, corporate debt instruments, spread transactions, and margin trading system.

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

Asset Allocation (% of Total Asset)	30-Sep-26	30-Jun-26
Cash and Cash Equivalent	50.59%	51.11%
Treasury Bills (over 90 days)	12.27%	10.50%
TFCs / Sukuk	13.93%	8.51%
Commercial Papers / Short Term Sukuk	11.66%	12.52%
Spread Transactions (Cost)	-	2.30%
Margin Trading System	-	-
Pakistan Investment Bonds (over 90 days)	-	7.13%
GOP Ijara Sukuk (over 90 days)	5.12%	-
Equities	2.29%	1.98%
Other Assets including Receivables	4.15%	5.94%

viii) Non-Compliant Investments:

Name of Non-Compliant Investment	Type of Investment	Value of Investment before Provision	Provision held if any	Value of Investment after Provision	Percentage of Net Assets	Percentage of Gross Assets
		----------Rupees in '000----------				
Bank Makramah Limited*	Equity	26,965	Nil	26,965	2.34%	2.29%

***Bank Makramah Limited shares were received against settlement of Summit Bank Limited (now Bank Makramah Limited) – TFC settlement.**

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

1QFY27 Return (annualized)	11.05%
Benchmark Return (annualized)	11.83%

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

Net Asset Value			NAV per Unit	
30-Sep-26	30-Jun-26	Change in Net Assets	30-Sep-26	30-Jun-26
(Rupees in '000)			(Rs.)	
1,154,229	1,269,005	-9.04%	56.2159	54.6924

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

MACROECONOMIC REVIEW

Pakistan's macroeconomic environment became more challenging during 1QFY27 as renewed inflationary pressures and escalating geopolitical tensions tested the gains achieved during the preceding stabilization phase. While stronger foreign exchange reserves, continued engagement with the International Monetary Fund (IMF) and improved access to external financing provided important support, the prolonged US–Iran conflict deepened uncertainty surrounding global energy prices, shipping costs and external balances. On September 10, 2026, Brent and WTI both traded above USD 100 per barrel, amid escalating attacks on shipping and concerns over supply disruptions. These developments increased the risk of imported inflation and complicated the policy trade-off between containing price pressures and supporting economic activity. Consequently, the quarter reflected continued stabilization under less favorable conditions, with the outlook increasingly dependent on inflation dynamics, energy prices and external financing.

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Inflation remained a key macroeconomic concern during 1QFY27, with average Consumer Price Index (CPI) inflation reaching 10.20%, compared with 4.30% in 1QFY26. Headline inflation accelerated to 11.15% YoY in August 2026 from 9.20% in July before moderating to 10.26% in September. Core inflation (urban non-food, non-energy) eased to 8.6% YoY in September from 8.8% in August, indicating some moderation in underlying price momentum. Even so, higher transportation, energy and other input costs continue to erode household purchasing power and raise business operating expenses. Second-round effects remain the principal risk. A durable decline in both headline and core inflation is required to ease price pressures and give monetary policy greater flexibility without compromising price stability.

The external account presented a mixed picture during 1QFY27, as export growth and strong remittances provided support, but relatively expensive import growth widened external imbalances. Goods exports increased 7.65% YoY to USD 8.45bn in July–September FY27, while goods imports rose 14.31% to USD 17.78bn, widening the merchandise trade deficit to USD 9.33bn. Workers' remittances grew approximately 14.04% YoY to USD 10.87bn, an important source of foreign exchange inflows providing much needed support. However, these were not enough to prevent the current account deficit from widening to USD 874mn, from USD 755mn in 1QFY26 albeit still contained. The SBP expects the current account deficit to remain within 0–1% of GDP in FY27. Elevated oil prices could further increase the import bill and weigh on the external balance, underscoring the need to strengthen export competitiveness, maintain remittance inflows and manage import growth.

External buffers remained an important source of resilience. SBP foreign exchange reserves stood at approximately USD 21.51bn as of September 2026, while total liquid foreign exchange reserves reached USD 26.34bn. The USD 3bn Eurobonds issuance and Moody's upgrade of the sovereign rating to B3 with

a stable outlook further supported external financing flexibility and reflected an improved credit profile. Maintaining reserve adequacy will require timely external inflows, prudent debt management, continued remittance growth and stronger export competitiveness. A prolonged rise in energy import costs or a deterioration in global risk sentiment could imminently test these buffers.

Fiscal consolidation remains central to the stabilization framework, although revenue mobilization and expenditure pressures continue. The fiscal deficit widened to PKR 596.6bn, or 0.4% of GDP, in July 2026, from PKR 261.5bn a year earlier, largely reflecting higher federal interest payments of PKR 792.9bn against PKR 490.4bn in the previous year. The government nonetheless maintained a primary surplus of PKR 196.3bn (0.1% of GDP) against a surplus of PKR 228.9bn a year earlier. Provisional FBR collection reached PKR 3.08tn in 1QFY27, impressively exceeding the quarterly target by approximately PKR 30bn. Achieving the FY27 tax target of PKR 15.26tn will however require a broader tax base and improved compliance. The FY26 fiscal outturn also benefited from an SBP profit transfer of PKR 1.9tn against the budgeted PKR 1.4tn, highlighting the need to strengthen recurring revenues and reduce reliance on exceptional receipts. High interest costs and energy prices could further constrain fiscal flexibility, particularly if additional measures are needed to cushion consumers. This reinforces the importance of expenditure discipline and continued IMF-supported reforms.

Overall, 1QFY27 demonstrated real progress in strengthening Pakistan's macroeconomic resilience, alongside continued exposure to external shocks and domestic uncertainty. The prolonged US–Iran conflict and threats to regional energy infrastructure raise risks to oil prices, shipping costs and supply chains, with implications for inflation, the import bill, corporate profitability and the external balance. Domestic political uncertainty adds a further risk to policy continuity and the implementation of fiscal and structural reforms. Stronger reserves, robust remittance inflows and improved external financing are important buffers, but double-digit inflation and a wider trade deficit continue to limit policy flexibility. Preserving the gains of the stabilization phase will require disciplined monetary and fiscal management, consistent reform execution, stronger export competitiveness and effective management of imported inflation.

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Primary market activity in 1QFY27 remained active, reflecting continued reliance on domestic debt markets for fiscal financing.

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Pakistan Investment Bonds (PIBs): To meet longer-term funding requirements, the SBP conducted three (3) fixed-rate auctions and raised PKR 1.66tn. Weighted average yields on 3, 5 and 10-year PIBs rose to 11.70%, 11.78% and 12.23%, up 57bps, 35bps and 7bps from 11.13%, 11.43% and 12.16% a year earlier.

GOP Ijara Sukuk: In the Shariah-compliant segment, ten (10) auctions were conducted through the Pakistan Stock Exchange, covering Variable Rental Rate (VRR), Fixed Rental Rate (FRR) and Fixed Rate Discounted (FRD) instruments. These raised PKR 1.41tn against a target of PKR 1.60tn.

Looking ahead, under the October–December 2026 auction calendars, the SBP plans to raise PKR 5.30tn through 1 to 12-month Market Treasury Bills (MTBs), against maturities of PKR 5.65tn, and PKR 1.05tn through 2 to 15-year fixed-rate Pakistan Investment Bonds (PIBs), against maturities of PKR 77bn. Additionally, the GOP Ijara Sukuk auction target for the period stands at PKR 2.08tn.

FUTURE OUTLOOK

Pakistan enters the remainder of FY27 with stronger external buffers and a more credible stabilization framework. Preserving these gains will depend on managing inflation, energy market volatility and domestic political uncertainty. Elevated global oil prices and a widening trade deficit pose risks to the external account, inflation and monetary policy flexibility. With the policy rate at 11.50%, the scope for easing will depend on how persistent inflation proves and how far external shocks feed through to domestic prices, while an increase in rates cannot be ruled out if inflationary pressures persist.

Geopolitical developments remain the key near-term risk, particularly the US–Iran conflict, the Israeli parliamentary elections on October 27, 2026 and the US midterm elections on November 3, 2026. These events could influence regional security dynamics and global energy markets. Further escalation could raise Pakistan's import bill, delay disinflation and keep market yields elevated. Over the longer term, Pakistan's deepening strategic engagement with Saudi Arabia and Türkiye, reinforced by the Makkah Joint Defence Agreement, could create opportunities in defense production, technology and regional cooperation. Turning these relationships into tangible economic benefits will depend on the realization of investment, trade and commercial commitments.

Ongoing political confrontation between the government and the opposition, particularly escalating tensions surrounding PTI, could complicate governance, disrupt policy implementation and undermine investor confidence. The risk of further protests could also distract from the economic reform agenda. The IMF's October 7, 2026 staff-level agreement on the fourth Extended Fund Facility (EFF) review and third Resilience and Sustainability Facility (RSF) review is a positive development for external financing and policy continuity, although the anticipated USD 1.21bn in disbursements remains subject to Executive Board approval. Progress on privatization and structural reforms will be important to improve the efficiency of state owned enterprises, attract private capital and ease fiscal pressure. Energy sector reforms and measures to contain circular debt remain essential to address structural vulnerabilities and strengthen fiscal sustainability.

Our outlook for financial markets is cautiously constructive, with returns increasingly driven by fundamentals rather than valuation expansion. In equities, performance will hinge on earnings resilience, dividend sustainability and companies' ability to manage higher input costs amid uncertain demand. The KSE-100's reported P/E of 6.10x at the end of September 2026, equivalent to an earnings yield of approximately 16.40%, offers valuation support, although further gains will depend on earnings delivery and investor risk appetite. In fixed income, elevated yields offer carry opportunities, while

meaningful capital gains will require durable disinflation and greater clarity on the monetary easing cycle. Preserving macroeconomic stability, maintaining reform momentum and reducing geopolitical and political uncertainty will be critical to supporting investor confidence. We continue to favor a selective investment approach, disciplined valuation assessment and prudent duration management across asset classes.

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

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

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

There were no unit splits during the period.

xiv) Breakup of unit holding by size:

Range (Units)	No. of Investors
0.0001 to 9,999	172
10,000 to 49,999	13
50,000 to 99,999	2
100,000 to 499,999	2
500,000 and above	2
Total	**191**

xv) Disclosure of circumstances that materially affect any interest of unit holders:

Investments are subject to credit and market risk.

xvi) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker (s) or dealers by virtue of transaction conducted by the Collective Investment Scheme:

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

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2026

	Note	Un-audited September 2026	Audited June 2026
		---------- Rupees in '000 ----------	
Assets			
Bank balances	5	395,491	495,331
Investments	6	733,588	776,779
Mark-up receivable	7	28,892	16,739
Receivable against settlement of future contracts		-	12
Security deposits	8	17,196	17,196
Advances and deposits	9	3,643	2,766
Total Assets		1,178,810	1,308,823
Liabilities			
Payable to AKD Investment Management Limited - Management Company	10	4,281	6,117
Payable to the Central Depository Company of Pakistan Limited - Trustee	11	38	38
Payable to the Securities and Exchange Commission of Pakistan	12	82	85
Accrued expenses and other liabilities	13	5,109	9,493
Payable against redemption of units		25	227
Unclaimed dividend		15,045	23,858
Total Liabilities		24,580	39,818
Net Assets		1,154,229	1,269,005
Unit Holders' Fund (As Per Statement Attached)		1,154,229	1,269,005
		---------- (Number of units) ----------	
Number Of Units In Issue		20,532,097	23,202,583
		---------- (Rupees) ----------	
Net Assets Value Per Unit		56.2159	54.6924

The annexed notes from 1 to 22 form an integral part of these financial information.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Note	For the quarter ended September 30 2026	2025
		---------- Rupees in '000 ----------	
Income			
Mark-up on bank deposits		13,930	4,881
Income from:			
Margin Trade System		-	6,763
Government securities		13,347	12,557
Term finance certificates and sukuk certificates		10,271	4,247
Spread transactions		-	-
Commercial papers		682	-
Dividend income		-	53,305
Realised gain on sale of investments classified as 'financial assets at fair value through profit or loss'		1,273	5,614
Other income		240	-
		39,741	87,367
Net unrealised gain / (loss) on re-measurement of investment classified as 'financial assets at fair value through profit or loss'		378	501
On spread transactions - net		-	-
Total Income		40,120	87,867
Expenses			
Remuneration of AKD Investment Management Limited - Management Company	10.1	4,751	4,318
Sindh sales tax on remuneration of Management Company	10.2	713	648
Allocated expenses by the Management Company	10.3	-	-
Remuneration of Central Depository Company of Pakistan Limited-Trustee	11.1	238	216
Sindh sales tax on remuneration of Trustee	11.2	35	32
Annual fee to the Securities and Exchange Commission of Pakistan	12	238	216
Securities transaction expense		9	2,359
Auditor's remuneration		117	117
Bank and settlement charges		23	-
Fees and subscriptions		61	60
Legal and professional charges		54	54
Other expenses		-	-
Total Expenses		6,238	8,020
Net income for the quarter before taxation		33,882	79,847
Taxation	16	-	-
Net income for the quarter		33,882	79,847
Allocation of net income for the year			
Net income for the year after taxation		33,882	79,847
Income already paid on units redeemed		(2,913)	(129)
		30,969	79,718
Accounting income available for distribution:			
- Relating to capital gain		1,274	6,115
- Excluding capital gain		29,694	73,603
		30,969	79,718

The annexed notes from 1 to 22 form an integral part of these financial information.

For AKD Investment Management Limited
(Management Company)

_____	_____	_____
Chief Executive Officer	**Chief Financial Officer**	**Director**

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	For the quarter ended September 30	
	2026	**2025**
	---------- Rupees in '000 ----------	
Net income for the quarter	33,882	79,847
Other comprehensive income for the quarter	-	-
Total comprehensive income for the quarter	33,882	79,847

The annexed notes from 1 to 22 form an integral part of these financial information.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	For the quarter ended 30 September 2026			For the quarter ended 30 September 2025		
	Capital value	**Undistributed income**	**Total**	**Capital value**	**Undistributed income**	**Total**
	----------	----------	**Rupees in '000**	----------	----------	----------
Net assets at beginning of the year	**1,223,939**	**45,067**	**1,269,005**	1,064,447	21,223	1,085,670
Issuance of 753,219 units (2025: 648,716 units)						
- Capital value (at net asset value per unit at beginning of the year)	41,195	-	41,195	34,651	-	34,651
- Element of income	434	-	434	541	-	541
Total proceeds on issuance of units	41,629	-	41,629	35,192	-	35,192
Redemption of 3,423,705 units (2025: 207,933 units)						
- Capital value (at net asset value per unit at beginning of the year)	(187,251)	-	(187,251)	(11,105)	-	(11,105)
- Element of loss	(123)	(2,913)	(3,036)	(194)	(129)	(324)
Total payments on redemption of units	(187,374)	(2,913)	(190,287)	(11,299)	(129)	(11,429)
Total comprehensive income for the year	-	33,882	33,882	-	79,847	79,847
Distributions during the year	-	-	-	-	-	-
Net assets at end of the quarter	**1,078,194**	**76,035**	**1,154,229**	1,088,340	100,940	1,189,280
Undistributed income brought forward						
- Realised income		46,333			20,753	
- Unrealised loss		(1,266)			470	
		45,067			21,223	
Accounting income available for distribution						
- Relating to capital gains		1,274			6,115	
- Excluding capital gains		29,694			73,603	
		30,969			79,718	
Distributions during the year		-			-	
Undistributed income carried forward		76,035			100,940	
Undistributed income carried forward						
- Realised income		75,657			100,940	
- Unrealised income / (loss)		378			501	
		76,035			100,940	
		---(Rupees)---			**---(Rupees)---**	
Net assets value per unit at beginning of the year		54.6924			53.4062	
Net assets value per unit at end of the quarter		**56.2159**			57.2614	

The annexed notes from 1 to 22 form an integral part of these financial information.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**

AKD AGGRESSIVE INCOME FUND
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Note	For the quarter ended September 30 2026	2025
		---------- Rupees in '000 ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before taxation		33,882	79,847
Adjustments for non cash items:			
Net unrealised (gain) / loss on re-measurement of investment classified as 'financial assets at fair value through profit or loss'		(378)	(501)
Realised gain on sale of investments		-	(5,614)
Unrealised gain on forward contract		-	-
		33,503	73,732
(Increase) / decrease in assets			
Investments		140,315	(71,171)
Mark-up receivable		(12,154)	-
Receivable against sale of units		12	108,356
Security deposits		-	-
Advances and deposits		(877)	8,884
		127,297	46,069
Increase / (decrease) in liabilities			
Payable to AKD Investment Management Limited - Management Company		(1,836)	(208)
Payable to Central Depository Company of Pakistan Limited - Trustee		1	9
Payable to Securities and Exchange Commission of Pakistan		(3)	8
Accrued expenses and other liabilities		(4,384)	1,409
		(6,223)	1,218
Net cash generated from operating activities		154,577	90,790
Cash Flows From Financing Activities			
Amount received against issuance of units		41,629	35,192
Amount paid against redemption of units		(190,489)	(10,435)
Dividend paid		(8,813)	-
Net cash (used in) / generated from financing activities		(157,673)	24,757
Net increase in cash and cash equivalents during the year		(3,095)	115,547
Cash and cash equivalents at the beginning of the year		598,586	95,760
Cash and cash equivalents at the end of the quarter	17	595,491	211,307

The annexed notes from 1 to 22 form an integral part of these financial information.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**

AKD AGGRESSIVE INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 AKD Aggressive Income Fund (the Fund) was established under a Trust Deed, dated September 11, 2006, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 02, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulation). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The Fund commenced its operations on March 23, 2007.

During the year ended June 30, 2021, the Trust Act, 1882, was repealed due to the Promulgation of the Provincial Trust Act, namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 15, 2021, the above-mentioned Trust Deed was registered under the Sindh Trust Act. The Fund was registered on August 23, 2021.

The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

1.2 The Fund is categorised as an open-ended Aggressive Fixed Income Scheme as per circular 7 of 2009 by SECP, listed on the Pakistan Stock Exchange Limited (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

1.3 The principal activity of the Fund is to make investments in government securities, deposits with banks, money market placements, deposits, certificate of deposits (COD), certificate of mushrakas (COM), commercial paper, reverse repo, term deposit receipts, term finance certificates / sukuk certificates, spread transactions and transactions under margin trading system.

1.4 The Management Company has been assigned a quality rating of 'AM2' by the Pakistan Credit Rating Agency Limited (PACRA) on May 07, 2026 (2025: "AM2 " on May 07, 2025) The Fund has been given a stability rating of 'A+(f) on June 12, 2026 (2025: 'A+ (f)' on September 09, 2024).

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

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

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 and requirements of the Trust Deed differ from the 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, the NBFC Regulations have been followed.

2.1.1 The SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied for years presented.

4 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited inancial statements for the year ended 30 June 2026.

5. BANK BALANCES

	Note	September 30 2026 Un-Audited	June 30 2026 Audited
		-------- Rupees in '000 --------	
Saving accounts	5.1	394,884	494,774
Current accounts		607	557
		395,491	495,331

5.1 These carry mark-up rates ranging from 7.5% to 14.00 % per annum (2026: 7.5% to 13.75%) per annum.

6. INVESTMENTS	Note	September 30 Un-Audited 2026	June 30 Audited 2026
		------- Rupees in '000 --------	
At fair value through profit or loss			
- Term Finance Certificates	6.1	11,733	11,733
- Sukuk certificates	6.2	289,998	270,058
- Market treasury bills	6.3	344,589	243,912
- Pakistan Investment Bonds	6.4	-	193,269
- Ijarah Sukuks	6.5	60,302	
- Listed equity securities (spread transactions)	5.6	-	31,236
- Listed equity securities	5.7	26,965	26,570
		733,588	776,779
At amortised cost			
-Short term sukuk (STS)		-	-
		733,588	776,779

6.1 Term finance certificates

Name of Investee Company	Face value per certificate	As at July 1, 2026	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Balance as at September 30, 2026			Market value as a percentage of	
						Carrying value	Market value	Unrealized gain / (loss)	Investments	Net assets
	--Rupees--	----------Number of certificates----------				---------- Rupees in '000 ----------			---------- (%) ----------	
TPL Corporation Limited -(Note 5.1.1)	40,000,000	400	-	-	400	11,733	11,733	-	100%	1.02%
As at September 30, 2026						**11,733**	**11,733**	**-**		
As at June 30, 2026						11,733	11,733	-		

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

6.1.2 The coupon payment of the Term Finance Certificate (TFC) of Silk Bank Limited (SBL) was due on February 10, 2022, which it is failed to pay on the due date of payment. As per SECP Circular No 35 of 2012 dated November 26, 2012 the Fund has reversed the principal and the profit amount due on February 10, 2022 and cease to received the accrual of the interest. The TFCs of SBL has been classified as a Non-Performing Asset (NPA) by MUFAP. Furthermore, as per SECP circular No. 33 of 2012 dated October 24, 2012, full provision is made by management. During the year, whole oustanding amount of Rs. 53.305 million (which includes principal repayment of 49.930 million and interest of 3.375 million).

6.1.3 The Term Finance Certificates (TFCs) of Worldcall Telecom Limited (WTL) had an original maturity on October 07, 2013. WTL had defaulted on timely repayment of principal, therefore, the TFC has been classified as non-performing by Mutual Funds Association of Pakistan w.e.f November 8, 2012. Accordingly the outstanding investment had been fully provided. However, in last years WTL paid Rs. 4.157 million to the Fund which represents the repayment of principal amounting to Rs. 2.587 million and markup amounting to Rs. 1.570 million.

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

6.1.5 The Term Finance Certificates (TFCs) of Pace (Pakistan) Limited (PPL) were originally maturing on October 07, 2013. However, PPL defaulted on timely repayment of principal, therefore, the TFC has been classified as non-performing by Mutual Funds Association of Pakistan w.e.f September 5, 2011. Accordingly the outstanding investment had been fully provided.

6.2 Sukuk certificates

Name of Investee Company	Redeemed Face value per certificate	As at July 1, 2026	Purchased during the year	Redeemed during the year	As at September 30, 2026	Balance as at September 30, 2026			Market value as a percentage of	
						Carrying value	Market value	Gain / (loss)	Investments	Net assets
	--Rupees--	----------Number of certificates----------				---------- Rupees in '000 ----------			---------- (%) ----------	
Listed										
Engineering										
Mughal Iron & Steel Industries Limited - (note 5.2.1)	-	100	-	100	-	-	-	-	0.00%	0.00%
Mughal Iron And Steel Industries Limited - Sukuk Vii			50		50	50,000	50,000			
Transport & Logistics										
Daewoo Pakistan Express Bus Services Limited-Sts 3	-	-	100	-	100	100,000	100,000	-	34.48%	8.66%
Technology & Communication										
Pakistan Telecommunication Company Ltd - (note 5.2.2)	-	52	-	52	-	-	-	-	0.00%	0.00%
Food & Personal Care Products										
At-Tahur Limited - (note 5.2.3)	-	50	-	-	50	37,500	37,500	-	12.93%	3.25%
Cement										
Thatta Cement Company Limited - (note 5.2.4)	-	115	-	-	115	102,305	102,498	193	35.34%	8.88%
Power generation and distribution										
K-Electric Limited - (note 5.2.5)	-	32	-	32	-	-	-	-	0.00%	0.00%
As at September 30, 2026						**289,804.83**	**289,998.03**	**193**		
As at June 30, 2026						268,378	270,058	1,680		

6.2.1 The tenor of these sukuk certificates is 9 months and carries mark up at the rate 3 months KIBOR plus 0.50% per annum and will be matured on August 13, 2026.
6.2.2 The tenor of these sukuk certificates is 6 months and carries mark up at the rate 3 months KIBOR plus 0.30% per annum and will be matured on July 09, 2026.
6.2.3 The tenor of these sukuk certificates is 1 year and carries mark up at the rate 3 months KIBOR plus 1.00% per annum and will be matured on March 29, 2027.
5.2.4 The tenor of these sukuk certificates is 4 years and carries mark up at the rate 6 months KIBOR plus 2.50% per annum and will be matured on October 10, 2029.
6.2.5 The tenor of these sukuk certificates is 1 year and carries mark up at the rate 3 months KIBOR plus 0.20% per annum and will be matured on September 03, 2026.

6.3 Government securities: Market Treasury Bills

-	Issue Date	Face Value				Balance as at September 30, 2026			Market value as a percentage of	
		As at July 1, 2026	Purchased during the year	Sold / matured during the year	As at September 30, 2026	Carrying Value	Market value	Unrealized gain/loss on	Investments	Net assets
		----------Rupees in "000"----------							-----%-----	
Treasury bills - 03 months	May 14, 2026	40,000		40,000	-	-	-	-	0.00%	0.00%
Treasury bills - 06 months	March 5, 2026	65,000		65,000	-	-	-	-	0.00%	0.00%
Treasury bills - 12 months	January 8, 2026	100,000			100,000	97,056	96,961	(94)	13.22%	8.40%
Treasury bills - 12 months	March 5, 2026	50,000			50,000	47,725	47,628	(97)	6.49%	4.13%
Treasury Bill - 03 Months	July 9, 2026	-	200,000		200,000	200,000	200,000	(0)	27.26%	17.33%
As at Septmeber 30, 2026						**344,781**	**344,589**	**(191)**		
As at June 30, 2026						245,291	243,912	(1,379)		

6.4 Government Securities: Pakistan Investment Bonds

Tenor	Issue Date	Face Value				Balance as at September 30, 2026			Market value as a percentage of	
		As at July 1, 2026	Purchased during the year	Sold / matured during the year	As at September 30, 2026	Carrying Value	Market value	Unrealized gain/loss on	Investments	Net assets
		----------Rupees in "000"----------							-----%-----	
Pakistan Investment Bonds - 2 Years	September 20, 2024	1,000	-	1,000	-	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	January 15, 2026	1,000	0	1,000	-	-	-	-	-	-
As at September 30, 2026						-	-	-		
As at June 30, 2026						194,376	193,269	(1,107)		

6.4.1 These carry yield of 11.13% to 11.95% per year. These have maturity upto January 15, 2031.

6.5 Ijarah Sukuks

Name of Investee Company	Redeemed Face value per certificate	As at July 1, 2026	Purchased during the year	Redeemed during the year	As at September 30, 2026	Balance as at September 30, 2026			Market value as a percentage of	
						Carrying value	Market value	Unrealize Gain / (loss)	Investments	Net assets
	--Rupees--	----------Number of certificates----------				---------- Rupees in '000 ----------			---------- (%) ----------	
Gop Ijarah Sukuk - 01 Year (22-01-26)		-	12,000	-	12,000	57,943	57,924	(19)	7.90%	5.02%
Gop Hybrid Sukuk - 06 Months Frr-(06-08-26)		-	495	-	495	2,378	2,378	0.07	0.32%	0.21%
As at September 30, 2026						**60,321**	**60,302**	**(19)**		
As at June 30, 2026						-	-	-		

6.6 Listed Equity Securites

Name of Investee Company	Face Value				Balance as at Sep 30, 2026			Market value as a percentage of	
	As at July 1, 2026	Purchased during the year	Sold / matured during the year	As at Sep 30, 2026	Carrying Value	Market value	Unrealize Gain / (loss)	Investments	Net assets
Commerical Banks									
Bank Makramah Limited	470,426	-	-	470,426	26,570	26,965	395	3.68%	2.34%
					26,570	**26,965**	**395**		
As at June 30, 2026					27,995	26,570	(1,425)		

6.7 Spread Transactions

Name of Investee Company	Face Value				Balance as at Sep 30, 2026			Market value as a percentage of	
	As at July 1, 2026	Purchased during the year	Sold / matured during the year	As at Sep 30, 2026	Carrying Value	Market value	Unrealize Gain / (loss)	Investments	Net assets
	----------Number of shares ----------				----------Rupees in "000"----------			----------(%)----------	
Real Estate Investment Trust									
TPL REIT Fund I	415,000	-	415,000	-	-	-	-	-	-
Cement									
Kohat Cement Company Limited	100,000	-	100,000	-	-	-	-	-	-
Fauji Cement Company Limited		53,500	53,500	-	-	-	-	-	-
Technology & Communication									
TPL Corp Limited	1,023,000	-	1,023,000	-	-	-	-	-	-
As at September 30, 2026					-	-	-		
As at June 30, 2026					31,051	31,419	368		

	Note	Un-audited September 2026	Audited June 2026
		---------- Rupees in '000 ----------	
7. MARK-UP RECEIVABLE			
Mark-up receivable on:			
- Term finance and certificates		1,414	933
- Pakistan Investment Bonds		-	4,844
- Sukuk Certificates		12,861	9,922
- Bank deposits		14,618	1,039
		28,892	16,739
8. SECURITY DEPOSITS			
Security deposits with			
- National Clearing Company of Pakistan Limited (NCCPL)		17,096	17,096
- Central Depository Company of Pakistan Limited		100	100
- Security Margin Deposit		-	-
		17,196	17,196
9. ADVANCES AND DEPOSITS			
Prepaid rating fee		-	40
Advance tax	9.1.	3,643	2,726
		3,643	2,766

9.1. As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance), payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under sections 151 and 150. However, withholding tax on profit on debt and dividend 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 May 12, 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.

10. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration	10.1	-	1,597
Sindh sales tax payable on remuneration	10.2	-	240
Expenses allocated by the Management Company	9.3	-	-
Preliminary expense and floating cost payable		140	140
Provision for Federal Excise duty on requirement of Managament		4,141	4,141
		4,281	6,117

10.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the offering document subject to the total expense ratio limit. The maximum limit disclosed in the offering document is 2% per annum of average annual net assets. During the year ended June 30, 2026 the SECP, vide S.R.O 600(I)/2025 dated April 10, 2025 revised the management fee cap to 1.5% to be calculated on a per annum basis of the average daily net assets applicable to an "Income/Aggressive Income Schemes & Commodities (Deliverable and Cash Settled Scheme". The revision is effective from July 01, 2025. Keeping in view of the above, the Management has charged at the rate of 1.5% (2026: 1.5%) of the average net assets.

10.2 This represents Sindh Sales Tax levied at the rate of 15% (2026: 15%) on the remuneration of the Management Company.

10.3 SECP through SRO 600(I)/2025 dated April 10, 2025, has amended Schedule XX of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 whereby the charging of expenses shall not include the following:

(a) Printing costs and related expenses for issuing the quarterly, half-yearly, and annual reports of the CIS;

(b) Fees and expenses related to registrar services, accounting, operations, and valuation services of the CIS;

(c) Selling and marketing expenses for the purpose of opening and maintenance of branches;

(d) Payment of salaries/commission to the sales team and distributors;

(e) Advertising and publicity expenses, and development of alternate delivery/distribution channels for the CIS.

In view of above, the management company has restricted the allocation of expenses to the Fund with effect from April 1, 2025.

10.4 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence a petition was collectively filed by the Mutual Fund Association of Pakistan (MUFAP) with the Honorable Sindh High Court (the Court) on September 04, 2013.

The Court through its order dated June 02, 2016, in CPD-3184 of 2014 and others filed by various taxpayers, has interalia declared that Federal Excise Act, 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution of Pakistan (the Constitution) from July 01, 2011. However, the declaration made by the Court, as directed, will have effect in the manner prescribed in the judgment. The Court in its decision dated July 16, 2016, in respect of a constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

The Sindh Revenue Board of Pakistan and the Federal Board of Revenue have filed appeals before the Supreme Court of Pakistan (SCP) against the Court's decision dated June 02, 2016, which is pending the decision. However, after the exclusion of the mutual funds from federal statute on FED from July 01, 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the SCP, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 4.141 million. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.0202 per unit (2026: Rs.0.3263) per unit.

	Note	September 2026	June 2026
		---------- Rupees in '000 ----------	
11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration	11.1	33	36
Sales tax payable on trustee remuneration	11.2	5	1
		38	38

11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and as per the tariff specified therein, based on 0.075% (2026: 0.075%) of the daily net assets value of the Fund. The fee is paid to the Trustee monthly in arrears.

11.2 This represents Sindh Sales Tax levied at the rate of 15% (2026: 15%) on trustee remuneration.

12. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Fee payable to SECP	12.1	82	85

12.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the SECP as a revised amount equal to 0.075% (2025: 0.075%) of average annual net assets of the Fund as per S.R.O 592 (1) / 2023 dated May 17, 2023.

	Note	Un-audited September 2026	Audited June 2026
		---------- Rupees in '000 ----------	

13. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditor's remuneration	213	177
National Clearing Company of Pakistan Limited - clearing charges payable	440	522
Sales Load payable	57	7
Withholding tax payable	992	1,697
Capital gain tax payable	536	4,244
Transaction Charges Payable	2,487	2,463
Legal and Professional Charges Payable	219	165
Others	165	218
	5,109	9,493

14. CONTINGENCIES AND COMMITMENTS

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

15. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2027, as reduced by accumulated losses and capital gains (whether realised or unrealised) to its unit holders.

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. TOTAL EXPENSE RATIO

The total expense ratio of the Fund as at September 30, 2026 based on the current period result is as follows:

Management Fee	1.50%
Regulatory Fee	0.075%
Trustee Fee	0.075%
Levies and Taxes	0.31%
Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	0.00%
Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	0.22%
Other Expenses	0.00%
TER%	1.97%
TER w/o Levy	1.66%

The SECP vide S.R.O 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio Caps (TER) with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with management fee cap which has been disclosed in note 10.1 to the financial statements.

17. CASH AND CASH EQUIVALENTS

	Note	**Un-audited September 2026**	Audited June 2026
		-------- (Rupees in '000) --------	
Bank balances	5	395,491	495,331
Maket treasury bills (having maturity upto 3 months)	6.3	200,000	103,255
		595,491	598,586

18. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

18.1 Related parties / connected persons include AKDIML being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding ten percent or more units of the Fund.

18.2 The transactions with connected persons / related parties are in the normal course of business, at contractual terms determined in accordance with the market rates.

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

18.4 The details of significant transactions carried out by the Fund with related parties / connected persons and balances with them at the end of the reporting period are as follows:

	September 2026	September 2025
	-------- (Rupees in '000) --------	
18.4.1 Details of transactions with connected persons / related pa as follows:		
Transaction during the year:		
AKD Investment Management Limited - Management Company		
Remuneration of the Management Company	4,751	4,318
Sindh sales tax on remuneration of the Management Compa	713	648
Central Depository Company of Pakistan		
Trustee remuneration	238	216
CDS charges	-	43
Settlement charges	9	-
Sindh Sales on trustee remuneration	35	32

	September 2026	June 2026
18.4.2 Balance outstanding at the year end		
AKD Investment Management Limited - Management Company		
Management remuneration payable	-	1,597
Sindh Sales tax	-	240
Payable against allocated expenses	140	140

	September 2026	June 2026
	-------- (Rupees in '000) --------	
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	33	36
Sindh Sales Tax payable on trustee remuneration	5	1
Security deposits	100	100
Unit holder holding 10% or more of the units in issue		
National Bank of Pakistan Employees Pension Fund		
Outstanding units: 18,914,159 (June 30, 2026: 18,914,159 units)	1,063,277	1,034,461

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and measurement date. Consequently,

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.

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

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

	Level 1	Level 2	Level 3	Total
		---------- (Rupees in '000) ----------		
ASSETS				
- Term Finance Certificates	-	11,733	-	11,733
- Sukuk Certificates	-	289,998	-	289,998
- Government securities - Market treasury bills	-	344,589	-	344,589
- Government securities - Pakistan Investment Bonds	-	-	-	-
- Listed equity securities (spread transactions)	-	-	-	-
Ijarah sukuk		60,302		60,302
	-	706,623	-	706,623

	2025			
	Level 1	Level 2	Level 3	Total
		---------- (Rupees in '000) ----------		
ASSETS				
Term finance certificates	-	11,733	-	11,733
Sukuk certificates	-	270,058	-	270,058
Government securities	-	437,182	-	437,182
Listed equity securities (spread transactions)	26,570	-		26,570
	26,570	718,973	-	745,543

19.1 The fair value of the assets and liabilities are approximate to carrying amounts.

19.2 For level 2 investments at fair value through profit or loss in respect of Pakistan Investment Bonds and Market Treasury Bills, the Fund uses rates which are derived from PKFRV / PKRV rates at reporting date per certificate multiplied by the number of certificates held as at year end and for the investment in respect of Corporate Sukuk Bonds and Term Finance Certificates, Fund uses the rates prescribed by MUFAP.

21. GENERAL

21.1 The figures have been rounded off to the nearest thousand rupees unless stated otherwise.

22. DATE OF AUTHORISATION FOR ISSUE

This financial statements was authorised for issue on _____ by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

_____	_____	_____
Chief Executive Officer	**Chief Financial Officer**	**Director**