Quarterly Report
September 30, 2026
(Un-audited)

AKD
Alpha 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 Alpha Income Fund

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

Legal Advisor
Bawaney & Partners
3rd & 4th Floor, 68-C, Lane -13,
Bukhari Commercial Area,
Phase-VI, DHA, 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 Limited
Habib Metropolitan Bank Limited
HBL 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-AKDALIF

N/A

FUND MANAGER'S REPORT

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

Open – end Aggressive Fixed Income Scheme.

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

The AKD Alpha Income Fund (AKDALIF) seeks to deliver premium risk-adjusted returns by employing an active, aggressive fixed-income approach, focusing on spread transactions and strategically reallocating across a diversified range of fixed-income instruments, with an emphasis on minimizing risk and optimizing income potential.

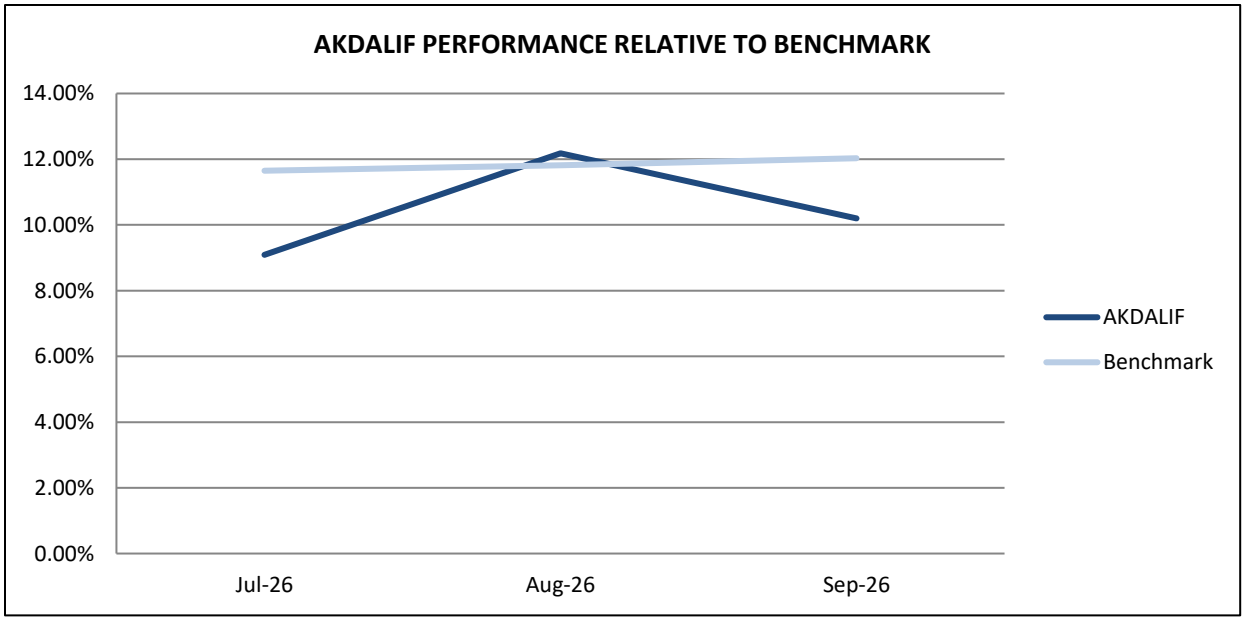
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1QFY27, the annualized return of AKD Alpha Income Fund stood at 10.59% 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.

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
AKDALIF	9.09%	12.18%	10.20%
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 Alpha Income Fund is an open – end Aggressive Fixed Income Scheme. The returns of the fund are generated primarily through investment in spread transactions, government securities, corporate debt instruments, bank deposits, and margin trading system.

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

Asset Allocation (% of Total Asset)	30-Sep-26	30-Jun-26
Cash and Cash Equivalent	47.38%	34.54%
Treasury Bills (over 90 days)	38.38%	-
TFCs / Sukuk	5.36%	-
Commercial Papers / Short Term Sukuk	5.57%	-
Spread Transactions (Cost)	-	29.99%
Margin Trading System	-	-
Pakistan Investment Bonds	-	-
GOP Ijara Sukuk (over 90 days)	-	-
Other Assets including Receivables	3.31%	35.47%

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

1QFY27 Return (annualized)	10.59%
Benchmark Return (annualized)	11.83%

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

Net Assets Value			NAV Per Unit	
30-Sep-26	30-Jun-26	Change in Net Assets	30-Sep-26	30-Jun-26
(Rupees in 000)			(Rupees)	
465,404	265,488	75.30%	52.8928	51.5182

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

MACROECONOMIC REVIEW

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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.

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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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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.

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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.

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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.

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

There was no significant change in the state of affairs during the period under review.

xii) Break down of unit holding by size:

Range (Units)	No. of Investors
0.0001 to 9,999	20
10,000 to 49,999	4
50,000 to 99,999	8
100,000 to 499,999	11
500,000 and above	5
Total	**48**

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

There were no unit splits during the period.

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

Investments are subject to credit and market risk.

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

No soft commission has been received by the AMC from its broker or dealer by virtue of transactions conducted by the Collective Investment Scheme.

AKD ALPHA INCOME FUND
INTERIM STATEMENT OF ASSETS AND LIABILITIES
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Note	Un-Audited September 30 2026 Rupees in '000	Audited June 30 2026 Rupees in '000
Assets			
Bank balances	4	218,793	113,360
Investments	5	230,070	145,765
Markup receivable	6	2,650	1,733
Security deposits		13,075	2,500
Advances and other receivable	8	1,252	61
Receivable against sale of units		-	5,000
Preliminary expenses and flotation costs	9	773	816
Total Assets		466,613	269,236
Liabilities			
Payable to AKD Investment Management Limited - Management Company	10	994	1,117
Payable to Central Depository Company of Pakistan Limited - Trustee	11	26	19
Payable to Securities and Exchange Commission of Pakistan	12	24	16
Accrued and other liabilities	13	165	2,596
Total Liabilities		1,209	3,747
Net Assets		465,404	265,489
Unitholders' Fund (as per statement attached)		465,404	265,489
Contingencies and commitments	14		
Number Of Units In Issue		8,799,017	5,153,286
		---- (Rupees) ----	
Net Asset Value Per Unit		52.8928	51.5182

The annexed notes from 1 to 20 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

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

AKD ALPHA INCOME FUND
INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Note	Un-Audited September 30 2026 Rupees in '000
Income		
Profit on bank deposits		6,512
Government securities		1,182
Dividend income		-
Capital gain on sale of investment classified as 'at fair value through		832
Net unrealised gain on re-measurement of investments classified as 'at fair value through profit or loss'	5.3	(523)
Other Income		120
Interest Income from sukuk		1,191
Total Income		9,314
Expenses		
Remuneration of the AKD Investment Management Limited - Management Company	10.1	404
Sindh sales tax on remuneration of the Management Company	10.2	61
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	11.1	59
Sindh sales tax on remuneration of Trustee	11.2	9
Annual fee to Securities and Exchange Commission of Pakistan	12.1	61
Amortization of preliminary expenses and flotation costs	9	43
Auditors' remuneration		63
Annual listing fee		8
Bank charges		23
Security transaction cost		140
Legal and professional charges		-
Total Expenses		871
Net profit for the period before taxation		8,443
Taxation	16.	-
Net profit for the period after taxation		8,443
Allocation of net income for the period		
Net income for the period after taxation		8,443
Income already paid on units redeemed		(15)
		8,428
Accounting income available for distribution:		
Relating to capital gain		309
Excluding capital gains		8,120
		8,428

The annexed notes from 1 to 20 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

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

AKD ALPHA INCOME FUND
INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Un-Audited September 30 2026 Rupees in '000
Net profit for the period after taxation	8,443
Other comprehensive period for the year	-
Total comprehensive profit for the period	8,443

The annexed notes from 1 to 20 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

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

AKD ALPHA INCOME FUND
INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	September quarter ended 30, 2026		
	Capital value	**Undistributed income**	**Total**
	---------- Rupees in '000 ----------		
Net assets at beginning of the period	**263,149**	**2,339**	**265,488**
Issuance of 3,733,862.42 units			
- Capital value (at 'ex-net asset value per unit at	192,362	-	192,362
- Element of income	3,667	-	3,667
Total proceeds on issuance of units	196,029	-	196,029
Redemption of 88,131 units			
- Capital value (at 'ex-net asset value per unit at	(4,540)	-	(4,540)
- Element of loss	(0.40)	(15)	(16)
Total proceeds on redemption of units	(4,541)	(15)	(4,556)
Total comprehensive income for the period	-	8,443	8,443
Distribution during the period	-	-	-
Refund of capital	-	-	-
Net income for the year less distribution	-	8,443	8,443
	454,637	10,767	465,404
Undistributed income brought forward			
- Realised income		705	
- Unrealised gain		1,634	
		2,339	
Accounting income available for distribution			
Relating to capital gains		309	
Excluding capital gains		8,120	
		8,428	
Distribution during the period		-	
Undistributed income carried forward		10,767	
Undistributed income carried forward			
- Realised income		11,290	
- Unrealised income		(523)	
		10,767	
Net assets value per unit at beginning of the period		51.5182	
Net assets value per unit at end of the period		52.8928	

The annexed notes from 1 to 20 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

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

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

	Note	Un-Audited September 30 2026 Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period before tax		8,443
Adjustments for non cash and other items:		
Dividend income		-
Net unrealised gain on re-measurement of investments classified as 'at fair value through profit or loss'		523
Capital gain on sale of investment classified as 'at fair value through profit or loss'		(832)
Cash generated from operations before working capital changes		8,135
(Increase) / decrease in assets		
Investments		(83,997)
Markup receivable		(917)
Security deposits		(10,575)
Advances and other receivable		(1,191)
Receivable against sale of Units		5,000
Preliminary expenses and flotation costs		43
Net increase during the period		(91,637)
Increase / (decrease) in liabilities		
Payable to AKD Investment Management Limited - Management Company		(123)
Payable to Central Depository Company of Pakistan Limited - Trustee		7
Payable to the Securities and Exchange Commission of Pakistan		8
Accrued and other liabilities		(2,431)
Net increase during the period		(2,538)
Net cash flow from opertaing activities		(86,040)
Cash flows from financing activities		
Amount received on issuance of units - net		196,029
Dividend paid during the period		-
Payment against redemption of units		(4,556)
Net cash flow from financing activities		191,473
Net increase in cash and cash equivalents		105,433
Cash and cash equivalents at the beginning of the period		113,360
Cash and cash equivalents at the end of the period	4	218,793

The annexed notes from 1 to 20 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

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

AKD ALPHA INCOME FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The AKD Alpha Income Fund (the Fund/the Scheme/the Trust/the Unit Trust/AKDALIF) has been established through a Trust Deed (the Deed) registration # KAR/ST/025/2025 dated August 7, 2025 under the Sindh Trusts Act, 2020 entered into and between AKD Investment Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee and is authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the "Rules") and Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("Regulations").

1.2 The Fund is an open-end collective investment scheme categorized as an "Fixed Income" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 06, 2009 issued by the SECP. The Fund offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the funds managed by the Management Company and can also be redeemed by surrendering them to the Fund.

1.3 The AKD Alpha Income Fund (AKDALIF) seeks to deliver premium risk adjusted returns by employing an active, aggressive fixed-income approach, focusing on spread transactions and strategically reallocating across a diversified range of fixed-income instruments, with an emphasis on minimizing risk and optimizing income potential.

1.4 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

1.5 The Fund is categorized as Fixed Income Scheme as per circular 7 of 2009 by SECP. The principal activity of the Fund is to make investments in listed securities,Government Securities,cash in bank account, and term deposit receipts.

1.6 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).

1.7 The title to the assets of the Fund are held in the name of the CDC of Pakistan Limited as Trustee of the Fund.

These are the first financial statements of the fund for the period from July 01, 2026 to September 30, 2026. Therefore, no comparative figures have been included

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

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;
- 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

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended June 30, 2026

In preparing this condensed interim financial information, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2026.

4. FINANCIAL RISK MANAGEMENT

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

	Note	**Un-Audited September 30 2026**	Audited June 30 2026
4. BANK BALANCES		**(Rupees in '000)**	**(Rupees in '000)**
Savings accounts	4.1	218,793	113,360
		218,793	113,360

4.1 Saving accounts carry mark-up at rate of 7.50% -13.75% per annum.

5. INVESTMENTS

At fair value through profit or loss

Listed equity securities	5.1	-	115,972
Treasury Bills	5.2	179,070	29,793
Sukuk	5.3	51,000	
		230,070	145,765

5.1 Listed equity securities

Name of the investee company	Number of shares					Balance As at September 30, 2026			Percentage in relation to		
	As at 01 July 2026	Purchased during the period	Right / bonus shares	Sold / disposed	As at September 30, 2026	Carrying cost before mark to market	Market value	Unrealised appreciation / (diminution)	Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
						(Rupees in '000)			(%)		
Cement											
Kohat Cement Company Limited	210,000	-	-	210,000	-	-	-	-	-	-	-
Thatta Cement Company Limited	100,000	-	-	100,000	-	-	-	-	-	-	-
						-	-	-			
Commercial Banks											
Askari Bank Limited	25,000	-	-	25,000	-	-	-	-	-	-	-
Bank Alfalah Limited	10,000	-	-	10,000	-	-	-	-	-	-	-
Bank Makramah Limited	15,000	-	-	15,000	-	-	-	-	-	-	-
National Bank of Pakistan	2,000	-	-	2,000	-	-	-	-	-	-	-
United Bank Limited	5,000	-	-	5,000	-	-	-	-	-	-	-
						-	-	-			
Oil & Gas Marketing Companies											
Sui Northern Gas Pipelines Limited	1,000	-	-	1,000	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	375,000	-	-	375,000	-	-	-	-	-	-	-
		-				-	-	-			
Pharmaceuticals											
The Searle Company Limited	15,000	-	-	15,000	-	-	-	-	-	-	-
						-	-	-			
Power Generation & Distribution											
Nishat Chunian Power Limited	49,000	-	-	49,000	-	-	-	-	-	-	-
The Hub Power Company Limited	14,000	-	-	14,000	-	-	-	-	-	-	-
						-	-	-			
Real Estate Investment Trust / Developers											
Javedan Corporation Limited	25,000	-	-	25,000	-	-	-	-	-	-	-
TPL Properties Limited	53,000	-	-	53,000	-	-	-	-	-	-	-
TPL REIT Fund I	2,500,000	-	-	2,500,000	-	-	-	-	-	-	-
						-	-	-			
Refinery											
National Refinery Limited	10,000	-	-	10,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	11,500	-	-	11,500	-	-	-	-	-	-	-
						-	-	-			
Technology & Communication											
Air Link Communication Limited	25,500	-	-	25,500	-	-	-	-	-	-	-
Hum Newtwork	-	-	-	-	-	-	-	-	-	-	-
						-	-	-			
Miscellaneous											
TPL Corporation Limited	1,500,000	-	-	1,500,000	-	-	-	-	-	-	-
						-	-	-			
Total as at September 30, 2026						-	-	-			
Total as at June 30, 2026						114,905	117,485	2,580			

5.2 Government securities HFT - Treasury Bills

Description	Tenor	Face value				Balance as at September 30, 2026			Market value as a percentage of	
		Opening	Purchased during the period	Sold / matured during the period	Closing	Carrying value	Market value	Appreciation / (dimunition)	Investments of the Fund	Net assets of the Fund
		(Rupees in '000)							(%)	
TREASURY BILL-03 MONTHS	3M	30,000		30,000	-				0%	0%
TREASURY BILL-12 MONTHS		-	200,000	-	200,000	179,593.65	179,070.20	(523.00)	100%	38%
As at September 30, 2026						**179,594**	**179,070**	**(523.00)**		
As at June 30, 2026						29,794.00	29,793.00	(1.00)		

5.3 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)	Net assets	Investments
	--Rupees--	Number of certificates				Rupees in '000			(%)	
Mughal Iron And Steel Industries Limited - Sukuk Vii	-		25	-	25	25,000	25,000	-	5.37%	49.02%
Daewoo Pakistan Express Bus Services Limited-Sts 3			26	-	26	26,000	26,000		5.59%	50.98%
As at September 30, 2026						**51,000**	**51,000**	**-**		
As at June 30, 2026						-	-	-		

		Note	Un-Audited September 30 2026 (Rupees in '000)	Audited June 30 2026 (Rupees in '000)
6	**PROFIT RECEIVABLE**			
	Profit receivable on bank deposit		2,650	1,733
			2,650	1,733
7	**SECURITY DEPOSITS**			
	National Clearing Company of Pakistan Limited		13,075	2,500
8	**ADVANCES AND OTHER RECEIVABLES**			
	Advance Tax		41	41
	Other receivable		20	20
	Sukuk Receivable		1,191	-
			1,252	61
9	**PRELIMINARY EXPENSES AND FLOTATION COSTS**			
	Cost		816	854
	Amortisation of preliminary expenses and flotation costs		(43)	(38)
	At the end of the Year		773	816

Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operation of the Fund and are being amortized over the period of 5 years for Active Allocation Plan and Conservative Allocation Plan, commencing from the end of the initial offering period as per the requirements set out in the Trust Deed of the Fund and NBFC Rules.

10	**PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**			
	Remuneration payable to management company	10	-	107
	Sindh sales tax payable on remuneration of management Co.	10	-	16
	Preliminary expenses and flotation costs payable		994	994
			994	1,117

10.1 Pursuant to the amendments in the NBFC Regulations, 2008 by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for an Alpha Income Fund is capped at 1.5% per anum, calculated on the basis of the average daily net assets.The Management Company has charged its remuneration at the average rate of 0.5% on the average daily net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

10.2 Sindh Sales Tax at the rate of 15% on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.

	Note	**Un-Audited September 30 2026** **(Rupees in '000)**	Audited June 30 **2026** (Rupees in '000)
11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration	11	22	16
Sindh sales tax payable on trustee remuneration	11	4	3
		26	19

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

The trustee remuneration shall consist of actual custodial expenses / charges plus the following tariff:

0.075% p.a. of Net Assets.

11.2 Sindh Sales Tax at the rate of 15% on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - SECP			
Annual fee payable to SECP	12	24	16

12.1 As per S.R.O. 423(I)/2023 dated 31 March 2023, effective from 01 July 2023, all categories of Collective Investment Schemes are required to pay annual fee at an amount equal to 0.075% of the average annual net assets of the scheme. The fee is payable monthly in arrears.

13 ACCRUED AND OTHER LIABILITIES

Brokerage payable	71	1,681
Auditors' remuneration payable	29	55
Accrued expenses	63	16
Withholding and capital gain tax payable	2	844
	165	2,596

14 CONTINGENCIES AND COMMITMENTS

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

15 EXPENSE RATIO

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

Management Fee	0.500%
Regulatory Fee	0.075%
Trustee Fee / Custody Fee	0.070%
Levies & Taxes	0.160%
Transactional Expenses	0.210%
Auditor Fee (Fixed Expenses)	0.080%
Other Expenses	0.050%
Total TER with Levies	1.070%
Total TER without Levies	0.910%

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit of 1.25% for a collective investment scheme categorised as 'Money Market Scheme', applicable previously, has been replaced with the management fee cap as disclosed in note 10.1 to these financial statements for a collective investment scheme categorised as 'Income Scheme'.

16. TAXATION

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

17. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / Connected persons include AKD Investment Management Limited, being the Management Company, Central Depository Company of Pakistan Limited, being the custodian, AKD Group Holding (Private) Limited, AKD Securities Limited, other Collective Investment Schemes managed by the Management Company, directors, officers and other connected persons of the Management Company, and directors of the Company and their connected persons.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

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

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

	Un-Audited September 30 2026 Rupees in '000
17.1 Transactions during the year	
AKD Investment Management Limited - Management Company	
Management remuneration	**404**
Sindh sales tax on management remuneration	**61**
Central Depository Company of Pakistan Limited - Trustee	
Trustee remuneration	**59**
Sindh sales tax on trustee remuneration	**9**
CDC Charges	**-**

Unit holders holding 10% or more of the Units in issue
Shah Latif Flour Mills (Private) Limited

Issue 1,577,436 Units	**83,149**

17.2. Balances outstanding at the period / year end

AKD Investment Management Limited - Management Company	**Un-Audited September 30 2026**	Audited June 30 2026
Management remuneration payable	**-**	107
Sindh sales tax payable on management remuneration	**-**	16
Preliminary expenses and flotation costs payable	**994**	994

	September 30 2026 Rupees in '000	June 30 2026 Rupees in '000
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	22	16
Sindh sales tax payable on trustee remuneration	4	3
Ali Wahab Siddiqui		
Units held 9,963 (June 30, 2026: 9,963) units	527	513
Unitholders holding 10% or more of the units in issue		
Mehboob Ali Karim		
Units held 884,293 (June 30, 2026: 884,293) units	46,773	45,557
Shah Latif Flour Mills (Private) Limited		
Units held 1,577,436 (June 30, 2026 : 1,577,436)	83,435	-

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

	As at Sep 30, 2026			
	Level 1	Level 2	Level 3	Total
	---------- Rupees in '000 ----------			
Investment- at fair value through profit or loss				
Listed equity securities	-	-	-	-
Government securities - Treasury bills	-	179,070	-	179,070

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

	As at June 30, 2026			
	Level 1	Level 2	Level 3	Total
	---------- Rupees in '000 ----------			
Investment- at fair value through profit or loss				
Listed equity securities	115,972	-	-	115,972
Government securities - Treasury bills	-	29,793	-	29,793

19 GENERAL

19.1 No reclassification to the corresponding figures have been made during the period.

20. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on _____by the Board of Directors of the

For AKD Investment Management Limited
(Management Company)

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