Quarterly Report
September 30, 2026
(Un-audited)

AKD
Islamic Stock 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 Islamic Stock Fund

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

Trustee
Digital Custodian Company Limited (DCCL)
[Formerly: MCB Financial Services Limited (MCBFSL)]
4th Floor, Perdesi House, 2/1 R-Y Old Queens Road
Karachi-74200

Bankers
Bank Makramah Limited
Bankislami Pakistan Limited

Auditors
Riaz Ahmad and Company
Chartered Accountants
Office No. 5, 20th Floor, Bahria Town Tower
Block 2, P.E.C.H.S.
Karachi, Pakistan

Legal Advisor
Siddiqui & Raza
Barristers and Legal Consultan ts
Office # 301, 3rd Floor, The Plaz a
Block No. 9, Clifton, 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.

Distributor
Al-Hilal Securities Advisors (Pvt.) Ltd.
ITMinds Limited

Shariah Advisor
Al-Hilal Securities Advisors (Pvt.) Ltd.

Shariah Auditor (External)
Riaz Ahmad and Company
Chartered Accountants
Office No. 5, 20th Floor, Bahria Town Tower
Block 2, P.E.C.H.S.
Karachi, Pakistan

Rating-AKDISSF
By PACRA
Performance Ranking
LT Rating: 2-Star
ST Rating: 4-Star

FUND MANAGER'S REPORT

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

Open – end Shariah Compliant Equity Scheme.

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

The objective of AKD Islamic Stock Fund is to invest in the capital markets through an optimal combination of strategies in Shariah compliant equities providing capital growth and dividends.

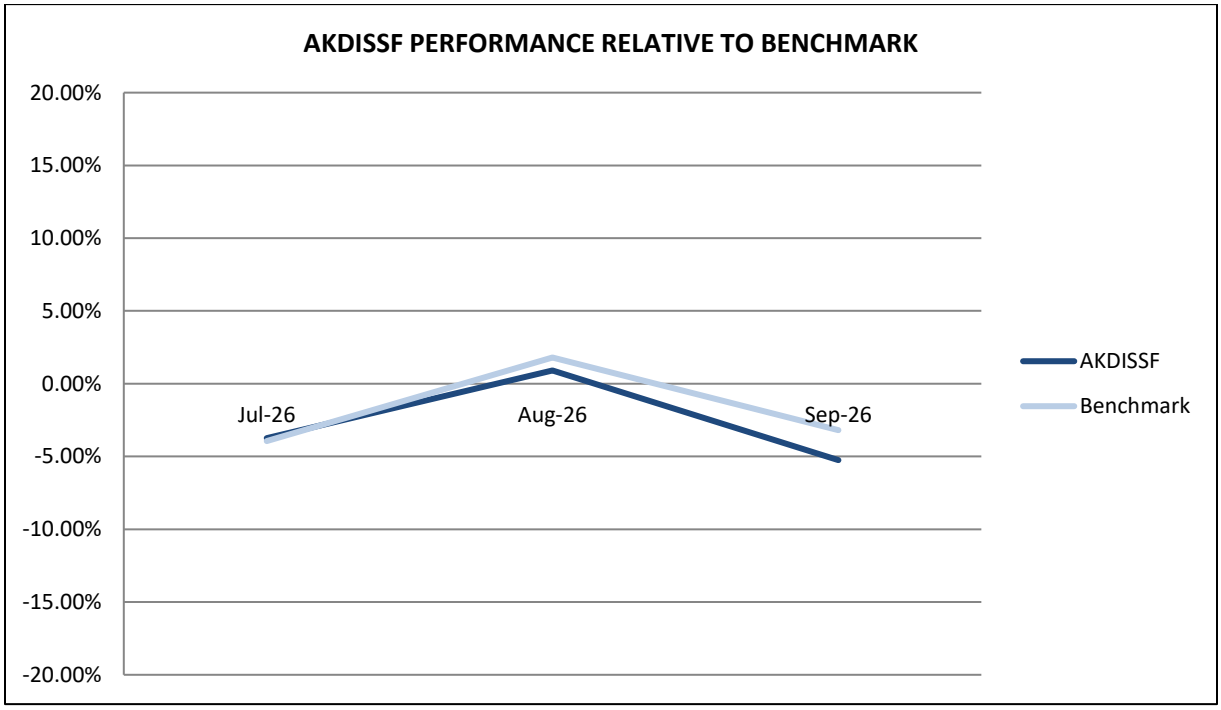
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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%.

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

KMI-30 Index

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



Monthly Return	Jul-26	Aug-26	Sep-26
AKDISSF	-3.73%	0.91%	-5.25%
Benchmark	-3.94%	1.80%	-3.20%

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

AKD Islamic Stock Fund is an open – end Shariah Compliant Equity Scheme; the returns of the Fund are generated through investment in Shariah Compliant stocks which have strong growth potential.

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

Asset Allocation (% of Total Assets)	30-Sep-26	30-Jun-26
Equities	94.27%	94.75%
Cash	2.85%	2.79%
Other Assets including Receivables	2.89%	2.46%

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

1QFY27 Return	-7.96%
Benchmark Return	-5.33%

ix) Changes in the 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.	Rs.
384,635	470,906	-18.32%	103.1715	112.0898

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

MACROECONOMIC REVIEW

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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.

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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.

EQUITY MARKET REVIEW

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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.

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 were no significant changes in the state of affairs during the period and up till the date of Fund Manager's report under review.

xii) Disclosure of any split (if any), comprising:

There were no unit splits during the period.

xiii) Break down of unit holding size:

Range (Units)	No. of Investors
0.0001 to 9,999	541
10,000 to 49,999	37
50,000 - 99,999	3
100,000 - 499,999	9
500,000 and above	0
Total	**590**

xiv) Disclosure of circumstances that materially affect any interests 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 ISLAMIC STOCK FUND
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2026

	Note	30 September 2026 (un-audited)	30 June 2026 (Audited)
		------ (Rupees in '000') ------	
ASSETS			
Bank balances	3	**10,489**	14,519
Investments	4	**375,507**	465,797
Profit receivable on bank deposits		**5**	6
Deposits and prepayments	5	**7,346**	7,421
Dividend receivable		**4,488**	509
Receivable against sale of securities		**-**	2,276
Receivable against sale / conversion of units		**9**	12
Total assets		**397,844**	490,540
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	6	**132**	1,344
Payable to Digital Custodian Company Limited - Trustee	7	**44**	48
Payable to the Securities and Exchange Commission of Pakistan	8	**31**	33
Dividend payable		**10**	187
Accrued expenses and other liabilities	9	**10,956**	12,154
Payable against purchase of securities		**-**	5,390
Payable against redemption / conversion of units		**2,036**	478
Total liabilities		**13,209**	19,634
NET ASSETS		**384,635**	470,906
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**384,635**	470,906
CONTINGENCIES AND COMMITMENTS	10		
		----- (Number of units) ------	
NUMBER OF UNITS IN ISSUE		**3,728,114**	4,201,147
		---------- (Rupees) ----------	
NET ASSET VALUE PER UNIT		**103.1715**	112.0898

The annexed notes from 1 to 17 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**

AKD ISLAMIC STOCK 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			
Capital gain on sale of investments classified as 'at fair value through profit or loss		**3,052**	44,570
Net unrealised (diminution)/ appreciation on re-measurement of investments classified 'at fair value through profit or loss	4.2	**(39,353)**	80,516
Dividend income		**4,393**	428
Profit on bank deposits		**4**	7
Total (loss) /income		**(31,904)**	125,521
EXPENSES			
Remuneration of AKD Investment Management Limited - Management Company	6.1	**3,101**	3,016
Sindh sales tax on remuneration of the Management Company	6.2	**465**	452
Remuneration of Digital Custodian Company Limited - Trustee	7.1	**124**	142
Sindh sales tax on remuneration of Trustee	7.2	**19**	21
Annual fee to Securities and Exchange Commission of Pakistan	8.1	**98**	113
Securities transaction costs		**795**	813
Auditors' remuneration		**86**	63
Fee and subscription		**290**	188
Legal and professional charges		**64**	54
Charity	9.1	**33**	-
Total expenses		**5,075**	4,863
Net (loss)/income for the quarter before taxation		**(36,979)**	120,658
Taxation	11	**-**	-
Net (loss)/income for the quarter after taxation		**(36,979)**	120,658
Allocation of net income for the year			
Net income for the year after taxation		**-**	120,658
Income already paid on units redeemed		**-**	(12,544)
		-	108,115
Accounting income available for distribution:			
Relating to capital gains		**-**	108,115
Excluding capital gains		**-**	**-**
		-	108,115

The annexed notes from 1 to 17 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**

AKD ISLAMIC STOCK 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 (loss)/income for the quarter after taxation	**(36,979)**	120,658
Other comprehensive income for the year	**-**	-
Total comprehensive (loss)/ income for the quarter	**(36,979)**	120,658

The annexed notes from 1 to 17 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

_____	_____	_____
CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**

AKD ISLAMIC STOCK FUND
Condensed Interim Statement of Movement In Unit Holders' Fund (Un-audited)
For the quarter ended September 30, 2026

	for the quarter ended September 30, 2026			for the quarter ended September 30, 2025		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	---------- (Rupees in '000') ----------					
Net assets at beginning of the quarter	**424,991**	**45,915**	**470,906**	431,491	940	432,430
Issuance of 653,206 (2025: 3,942,120) units						
- Capital value (at Ex-net asset value per unit at the beginning of year)	**73,218**	**-**	**73,218**	351,839	-	351,839
- Element of income	**(1,409)**	**-**	**(1,409)**	23,406	-	23,406
Total proceeds on issuance of units	**71,809**	**-**	**71,809**	375,245	-	375,245
Redemption of 1,126,240 (2025:3,898,020) units						
- Capital value (at Ex-net asset value per unit at the beginning of year)	**(126,240)**	**-**	**(126,240)**	(347,925)	-	(347,925)
- Element of income	**5,138**	**-**	**5,138**	(8,840)	(12,544)	(21,383)
Total payments on redemption of units	**(121,102)**	**-**	**(121,102)**	(356,765)	(12,544)	(369,308)
Total comprehensive income for the quarter	**-**	**(36,979)**	**(36,979)**	-	120,658	120,658
Total distribution during the year	**-**	**-**	**-**	-	120,658	120,658
Net assets at end of the quarter	**375,698**	**8,936**	**384,635**	449,971	109,055	559,025
Undistributed income brought forward						
- Realised loss/ income		**30,244**			(25,229)	
- Unrealized (loss) / income		**15,671**			26,209	
		45,915			980	
Accounting income available for distribution						
- Relating to capital gains		**-**			108,115	
- Excluding capital gains		**-**			-	
Net profit for the year after taxation		**-**			108,115	
Distribution during the year						
Distribution for the year		**-**			-	
Total comprehensive income for the quarter		**(36,979)**				
Accumulated income carried forward		**8,936**			109,095	
Accumulated income carried forward						
- Realised gain		**48,289**			28,579	
- Unrealised (loss)/income		**(39,353)**			80,516	
		8,936			109,095	
			(Rupees)			**(Rupees)**
Net assets value per unit at beginning of the year			**112.0898**			89.2511
Net assets value per unit at end of the quarter			**103.1715**			114.3386

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

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**

AKD ISLAMIC STOCK FUND
Condensed Interim Cash Flow Statement (Un-audited)
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 for the quarter before taxation		**(36,979)**	120,658
Adjustments for non cash and other items:			
Dividend income		**(4,392)**	(428)
Net unrealised (diminution)/ appreciation on re-measurement of investments classified 'at fair value through profit or loss	4.2	**39,353**	(80,516)
Profit on bank deposit		**(4)**	(7)
Capital loss / (gain) on sale of investments			(44,570)
Cash generated from operating activities before working capital changes		**(2,022)**	(4,863)
Working capital changes			
Decrease/ (increase) in assets			
Deposits and prepayments		**75**	(2,363)
Receivable against sale securities		**2,276**	6,793
Receivable against sale / conversion of units		**3**	25,289
Net decrease / (increase) in assets		**2,354**	29,719
(Decrease) / increase in liabilities			
Payable to AKD Investment Management Limited - Management Company		**(1,212)**	(190)
Payable to Digital Custodian Company Limited - Trustee		**(4)**	311
Payable to the Securities and Exchange Commission of Pakistan		**(2)**	-
Dividend payable		**(177)**	(487)
Accrued expenses and other liabilities		**(1,198)**	7,234
Payable against purchase of securities		**(5,390)**	35,401
Payable against redemption / conversion of units		**1,558**	(37,339)
Net (decrease) / increase in liabilities		**(6,425)**	4,929
		(6,093)	-
Dividend received		**414**	-
Profit received		**5**	(427)
Investments - net		**50,937**	22,886
Net cash generated from operating activities		**45,263**	22,459
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issue of units - net of refund capital		**71,809**	375,245
		-	-
Net payment against redemption of units		**(121,102)**	(369,308)
Net cash (used in) / generated from financing activities		**(49,293)**	5,937
Net (decrease) / increase in cash and cash equivalents		**(4,030)**	58,181
Cash and cash equivalents at the beginning of the year		**14,519**	48,103
Cash and cash equivalents at the end of the quarter	3	**10,489**	106,284

The annexed notes from 1 to 17 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

_____	_____	_____
CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**

AKD ISLAMIC STOCK FUND
Notes to the condensed interim financial statements (Un-audited)
For the quarter ended September 30, 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 AKD Islamic Stock Fund (the Fund) was established under a Trust Deed, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Digital Custodian Company Limited (DCCL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on 30 May 2017. The Initial Public Offering (IPO) of the Fund was made during the year from 19 February 2018 to 20 February 2018 and the Fund commenced operations from 21 February 2018. In accordance with the Trust Deed, the first accounting year of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e. 19 February 2018.

1.2 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.

1.3 The objective of the Fund is to earn a potentially high return through asset allocation between shariah compliant equity instruments and any other instruments as permitted by the SECP and shariah advisor.

1.4 The Fund is an open-ended collective investment scheme and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

1.5 The Fund is categorised as an open end Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009, issued by the Securities and Exchange Commission of Pakistan (SECP). Al-Hilal Shariah Advisors (Private) Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.6 Title to the assets of the Fund are held in the name of Digital Custodian Company Limited as trustee of the Fund.

1.7 The Pakistan Credit Rating Company Limited (PACRA) has assigned asset manager rating of 'AM2' to the Management Company dated 07 May 2026. PACRA has also assigned long term / short term perfomannce ranking of the Fund "2-Star (1-Year), 3-Star (3-Year), 2-Star (5-Year)" as on 31 August 2026.

1.8 The Fund is registered on 23 August 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12 of the Sindh Trusts Act, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.

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

2.5 AMENDMENTS TO ACCOUNTING STANDARDS

2.5.1 Amendments to accounting standards that are effective for the year ended 30 June 2023

Following amendments to published approved accounting standards are mandatory for the Fund's accounting periods beginning on or after 01 July 2026:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income Taxes').
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').
- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

2.5.2 Amendments to published approved accounting standards that are effective in current year but not relevant to the Fund

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the Fund's financial statements and are therefore not detailed in these financial statements.

Earnings per unit

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

	Note	Un-Audited September 30 2026	Audited June 30 2026
		-------- (Rupees in '000) --------	
3. BANK BALANCES			
Savings accounts	3.1	**10,489**	14,519

3.1 These carries profit at the rate of 0.11% (2026: 0.11%) per annum on outstanding balances.

4. INVESTMENTS

Fair value through profit or loss

Listed equity securities	4.1	**375,507**	465,797

4.1 Listed equity securities

Name of the investee companies	As at 01 July 2026	Purchased during the period	Bonus / right share	Sold during the period	As at 30 September 2026	Balance as at 30 September 2026			Percentage in relation to		
						Carrying cost	Market value	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 companies
	(Number of shares)					------ (Rupees in '000) -------			---------- (%) ----------		
Fully paid ordinary shares (unless otherwise stated)											
Asset Allocation											
Javedan Corporation Limited (Note 4.1.1)	350,000	25,000	-	75,000	300,000	**44,306**	**42,189**	**(2,117)**	0.11	0.11	0.01
Cable & Electrical Goods											
Fast Cables Limited	500,000	100,000	-	-	600,000	14,595	16,254	1,659	0.04	0.04	0.00
Pak Elektron Limited	250,000	-	-	-	250,000	11,363	8,908	(2,456)	0.02	0.02	0.00
						25,958	**25,162**	**(797)**			
Cement											
Attock Cement Pakistan Limited	-	25,000	-	10,000	15,000	3,405	3,702	297	0.01	0.01	0.00
Cherat Cement Company Limited	-	5,000	-	5,000	-	-	-	-	0.00	0.00	-
D.G. Khan Cement Company Limited	-	40,000	-	-	40,000	8,428	7,698	- 730	0.02	0.02	0.00
Fauji Cement Company Limited	-	241,400	-	241,400	-	-	-	-	0.00	0.00	-
Lucky Cement Limited	10,000	10,000	-	10,000	10,000	4,514	4,152	(362)	0.01	0.01	0.00
Maple Leaf Cement Factory Limited	-	100,000	-	100,000	-	-	-	-	0.00	0.00	-
Pioneer Cement Limited	10,000	30,000	-	10,000	30,000	7,840	7,296	(544)	0.02	0.02	0.00
Power Cement Limited	89,443	358,300	-	447,743	-	-	-	-	-	-	-
						24,187	**22,848**	**(1,339)**			
Chemicals											
Dynea Pakistan Limited	9,940	-	-	-	9,940	3,350	3,371	21	0.01	0.01	0.04
Engro Polymer & Chemicals Limited	25,000	-	-	25,000	-	-	-	-	0.00	0.00	-
Ghani Chemical Industries Limited	-	50,000	-	50,000	-	-	-	-	0.00	0.00	-
Lucky Core Industries Limited	250,000	-	-	49,054	200,946	47,552	41,126	(6,426)	0.11	0.11	0.04
						50,902	**44,496**	**(6,406)**			
Commercial Banks											
Faysal Bank Limited	-	25,000	-	-	25,000	2,536	2,354	- 183	0.01	0.01	0.00
Meezan Bank Limited	-	10,000	-	10,000	-	-	-	-	0.00	0.00	-
						2,536	**2,354**	**- 183**			
Engineering											
Aisha Steel Mills Limited	-	-	-	-	-	-	-	-	0.00	0.00	-
Crescent Steel & Allied Products Limited	125,000	-	-	35,000	90,000	10,269	8,214	(2,055)	0.02	0.02	0.01
International Industries Limited	-	20,000	-	20,000	-	-	-	-	0.00	0.00	-
International Steels Limited	300,000	25,000	-	75,000	250,000	22,589	20,233	(2,357)	0.05	0.05	0.00
Mughal Iron And Steel Industries Ltd	170,000	45,500	-	90,500	125,000	10,994	8,713	(2,282)	0.02	0.02	0.00
						43,852	**37,159**	**(6,693)**			
Food & Personal Care Products											
Barkat Frisian Agro Limited	-	-	-	-	-	-	-	-	0.00	0.00	-
Frieslandcampina Engro Pakistan Limited	100,000	72,987	-	132,987	40,000	4,801	5,509	708	0.01	0.01	0.00
National Foods Limited	-	-	-	-	-	-	-	-	0.00	0.00	-
Treet Corporation Limited	300,000	-	-	-	300,000	7,533	6,648	(885)	0.02	0.02	0.00
						12,334	**12,157**	**(177)**			
Glass & Ceramics											
Tariq Glass Industries Ltd	20,000	-	-	-	20,000	3,864	3,140	(724)	0.01	0.01	0.00
Ghani Glass Limited	100,000	-	-	45,039	54,961	2,197	2,181	(16)	0.01	0.01	0.00
Shabbir Tiles & Ceramics Limited	2,925,000	100,000	-	13,901	3,011,099	32,551	26,769	(5,782)	0.07	0.07	0.02
						38,612	**32,089**	**(6,523)**			

Name of the investee companies	As at 01 July 2026	Purchased during the period	Bonus / right share	Sold during the period	As at 30 September 2026	Balance as at 30 September 2026			Percentage in relation to		
						Carrying cost	Market value	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 companies
	(Number of shares)					------ (Rupees in '000) -------			---------- (%) ----------		
Investment Management											
Engro Holdings Limited (Note 4.1.2)	140,000	-	-	100,000	40,000	**11,509**	**10,540**	**(969)**	0.03	0.03	0.00
Miscellaneous											
Tasdeeq Information Services Limited	-	847,407	-	500,000	347,407	**1,173**	**1,782**	**609**	0.00	0.00	0.00
Modaraba											
Burj Clean Energy Modaraba	175,000	-	-	-	175,000	**2,013**	**1,969**	**(44)**	0.01	0.01	0.00
Oil & Gas Exploration Companies											
Mari Energies Limited (Note 4.1.3)	30,000	-	-	15,000	15,000	10,114	9,506	(608)	0.03	0.02	0.00
Oil & Gas Development Company Limited	25,000	50,000	-	25,000	50,000	16,543	15,837	(707)	0.04	0.04	0.00
Pakistan Petroleum Limited	125,000	60,000	-	100,000	85,000	20,132	19,287	(845)	0.05	0.05	0.00
						46,790	**44,630**	**(2,159)**			
Oil & Gas Marketing Companies											
Attock Petroleum Limited	-	7,284	-	7,284	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	-	20,000	-	20,000	-	-	-	-	-	-	-
						-	-	-			
Paper, Board & Packaging											
Century Paper & Board Mills Limited	75,000	174,434	-	150,000	99,434	**2,913**	**2,592**	- 321	0.01	0.01	0.00
International Packaging Films Limited	-	75,000	-	-	75,000	**3,000**	**2,684**	- 316	0.00	0.01	0.00
						5,913	**5,276**	**(637)**			
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited (4.1.4)	25,000	-	-	9,000	16,000	15,750	14,679	(1,071)	0.04	0.04	0.01
AGP Limited	20,000	-	-	-	20,000	4,127	3,128	(999)	0.01	0.01	0.00
Citi Pharma Limited	125,000	-	-	46,926	78,074	6,080	5,714	(366)	0.02	0.01	0.00
Glaxosmithkline Pakistan Limited	20,000	20,000	-	-	40,000	14,045	12,518	(1,527)	0.03	0.03	0.00
The Searle Company Limited	940	-	-	-	940	89	75	(14)	0.00	0.00	**0.00**
						40,090	**36,114**	**(3,977)**			
Power Generation & Distribution											
The Hub Power Company Limited (4.1.5)	50,000	75,000	-	25,000	100,000	22,394	20,142	(2,252)	0.05	0.05	0.00
K-Electric Limited	-	-	-	-	-	-	-	-	-	-	-
						22,394	**20,142**	**(2,252)**			
Refinery											
Cnergyico Pk Limited	1,270,531	500,000	-	1,770,531	-	-	-	-	-	-	-
						-	**-**	**-**			
Synthetic & Rayon											
Image Pakistan Limited	50,000	-	-	50,000	-	**-**	**-**	**-**	-	-	-
Textile Composite											
Nishat Mills Limited	150,000	50,000	-	75,000	125,000	19,257	16,600	(2,657)	0.04	0.04	0.00
						19,257	**16,600**	**(2,657)**			
Transport											
Pakistan International Bulk Terminal Limited	-	600,000	-	-	600,000	**9,984**	**8,808**	**(1,176)**	0.02	0.02	0.00
Vanaspati & Allied Industries											
Punjab Oil Mills Limited	40,000	37,693	-	-	77,693	**13,050**	**11,192**	**(1,858)**	0.03	0.03	0.14
Total as at September 30, 2026						**414,860**	**375,507**	**(39,353)**			
Total as at June 30, 2026						450,126	465,797	15,671			

Name of the investee companies	As at 01 July 2026	Purchased during the period	Bonus / right share	Sold during the period	As at 30 September 2026	Balance as at 30 September 2026			Percentage in relation to		
						Carrying cost	Market value	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 companies
	(Number of shares)					------ (Rupees in '000) -------			---------- (%) ----------		

4.1.1 This includes 200,000 (2026: 200,000) shares amounting to rupees 28.13 million (2026: 29.440) of Javedan Corporation Limited pledged with National Clearing Company of Pakistan (NCCPL) as collateral against exposure margin.

4.1.2 This includes 40,000 (2026:100,000) shares amounting to rupees 10.54 million (2026: 28.772million) of Engro Holdings Limited pledged with National Clearing Company of Pakistan (NCCPL) as collateral against exposure margin.

4.1.3 This includes 10,000 (2026:10,000) shares amounting to rupees 6.34 million (2026: 6.743) of Mari Energies Limited pledged with National Clearing Company of Pakistan (NCCPL) as collateral against exposure margin.

4.1.4 This includes 15,000 (2026: 20,000) shares amounting to rupees 13.76 million (2026: 19.328) of Abbott Laboratories (Pakistan) Limited pledged with National Clearing Company of Pakistan (NCCPL) as collateral against exposure margin.

4.1.5 This includes 25,000 (2026: 50,000) shares amounting to rupees 5.04 million (2026: 11.67) of The Hub Power Company Limited pledged with National Clearing Company of Pakistan (NCCPL) as collateral against exposure margin.

4.2 NET UNREALISED (DIMINUTION)/ APPRECIATION ON RE-MEASUREMENT OF INVESTMENTS CLASSIFIED 'AT FAIR VALUE THROUGH PROFIT OR LOSS	Note	Un-Audited September 30 2026	Audited June 30 2026
		-------- (Rupees in '000) --------	
Market value of investments	4.1	**375,507**	465,797
Less: Carrying amount of investments	4.1	**(414,860)**	(450,126)
		(39,353)	15,671

5. DEPOSITS AND PREPAYMENTS		
Security deposit held with		
- National Clearing Company of Pakistan Limited	**2,500**	2,500
- Central Depository Company of Pakistan Limited	**100**	100
Cash margin deposit with NCCPL	**4,600**	4,600
Prepaid shariah advisor fee	**84**	221
Advance tax (Other Recievable)	**62**	-
	7,346	7,421

6. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee	6.1	**-**	1,038
Sindh sales tax on management fee	6.2	**-**	156
Formation cost		**132**	132
Sales load payable		**-**	18
		132	1,344

6.1 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 management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 3% (2026: 3%) per annum of the average annual net assets of the Fund during the quarter ended 30 Sep 2026. The remuneration is payable to the Management Company monthly in arrears.

6.2 Sindh sales tax at the rate of 15% (2025: 15%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

7. PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE			
Trustee fee	7.1	**38**	42
Sindh sales tax on trustee fee	7.2	**6**	6
		44	48

7.1 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 per annum net assets of the Fund. The fee is paid to the trustee monthly in arrears.

The trustee remuneration consists of reimbursement of actual custodial expenses / charges plus the following tariffs;

Net assets	Tariff per annum
Upto Rupees 1 billion	0.12% per annum of net assets
Over Rupees 1 billion	Rs. 1.2 million plus 0.056% per annum of net assets, on amount exceeding Rupees. 1 billion

7.2 Sindh sales tax at the rate of 15% (2025: 15%) on gross value of trustee fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

			Un-Audited September 30 2026	Audited June 30 2026
8.	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**			
	Annual fee payable to SECP	8.1	**31**	33

8.1 As per Regulation 62 of the NBFC Regulations, 2008, an Asset Management Company managing a Collective Investment Scheme (CIS), within fifteen days of the close of every calendar month of the Collective Investment Scheme (CIS), shall pay the Commission, a non-refundable fee equal to 0.095% (2025: 0.095%) of average net assets of the Collective Investment Scheme as provided in Schedule II along with trustee certificate for the accuracy.

9.	**ACCRUED EXPENSES AND OTHER LIABILITIES**			
	Securities transaction costs payable		**122**	734
	Auditor's remuneration		**347**	182
	Charity payable	9.1	**9,792**	9,759
	Credit rating fee payable		**166**	129
	Sales load payable		**1**	-
	Withholding tax payable		**371**	1,272
	Others		**157**	78
			10,956	12,154

9.1 According to the instructions of the Shariah Advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 Sep 2026 (2026: Nil).

11. TAXATION

The income of the Fund is exempt from income tax under clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended 30 June 2026 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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.

12. EARNINGS PER UNIT

Earnings / (loss) per unit is calculated by dividing the net profit / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

13. TOTAL EXPENSE RATIO

The total expense ratio of the Fund is 4.92% (2026: 6.18%) and this includes 0.66% (2026: 0.81%) representing Government levy and SECP fee. The ratio of the previous year is within the maximum limit of 4.5% as prescribed under the NBFC Regulations for a collective investment scheme categorised as a " Shariah Compliant Equity Scheme".

The SECP, vide S.R.O. 600(I)/2025 dated 10 April 2025, has removed the Total Expense Ratio (TER) limit with effect from 01 July 2025. The TER limit of 4.5% for a collective investment scheme categorised as 'Equity Scheme', applicable previously, has been replaced with the management fee cap for a collective investment scheme categorised as 'Equity Scheme' as disclosed in note 6.1 to these financial statements.

As per the requirement of Regulation 60(6) of the NBFC regulation, 2008 the total expense ratio is as follows:

Management Fee	Regulatory Fee	Trustee Fee and Custody Charges	Levies and Taxes	Transaction Expenses (Broker, Bank, PSX, CDC, NCCPL etc)	Third Party Expenses (Auditor, Rating, Agency, Legal, Shariah Advisor)	Other Expenses	TER with Levies	TER without Levies
3.0%	0.095%	0.12%	0.66%	0.81%	0.28%	0.03%	4.92%	4.26%

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

The transactions with connected persons / related parties are in the normal course of business and are carried out 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 Fund.

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

	Un-Audited Quarter ended September 30	
	Sep-26	Sep-25
Transactions during the year	**--- (Rupees in '000) ---**	
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**3,101**	3,016
Sindh sales tax on management remuneration	**465**	452
Sale load	**610**	330
Digital Custodian Company Limited - Trustee		
Trustee remuneration	**124**	142
Sindh sales tax on trustee remuneration	**19**	21

	Un-Audited Quarter ended September 30	
	Sep-26	Sep-25
	--- (Rupees in '000) ---	
Golden Arrow Stock Fund (GASF) - Common Management		
Shares sold by AKD Islamic Stock Fund to Golden Arrow Stock	**-**	19,532
TPL Life Insurance Limited		
Redemption of units: Nil (2025: 361,818 units)	**-**	32,293
Muhammad Ibrahim - more than 10% holding		
Issue of Units : Nil (2025: Issue of 108,640 units)	**-**	10,000

Balances outstanding as at 30 September	**Un-Audited September 30 2026**	**Audited** June 30 2026
AKD Investment Management Limited - Management Company		
Remuneration payable	**-**	1,038
Sindh sales tax on management remuneration	**-**	155
Expenses allocated by the management company	**-**	-
Payable against formation cost	**132**	132
Sales load payable	**-**	11
Units Held 390,539 (2026: 390,539) Units	**40,292**	43,775
Digital Custodian Company Limited - Trustee		
Remuneration payable	**42**	42
Sales tax on trustee remuneration payable	**6**	6
AKD Securities Limited - Brokerage		
Brokerage payable	**-**	193
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Units Held 219,327 (2026: 219,327 Units)	**22,628**	24,584
Connected person due to more than 10% holding		
Muhammad Ibrahim		
Outstanding: Nil Units (2026:547,910 units)	**-**	61,415
Askari General Insurance Company Limited		
Outstanding: 466,059 Units (2026: 466,059 units)	**48,084**	52,240

** Muhammad Ibrahim is not connect person more than 10% in this quarter

15. 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 IFRS. 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).

	Sep-26			
	Level 1	**Level 2**	**Level 3**	**Total**
	--------- (Rupees in '000) --------			
ASSETS				
Listed equity securities	**375,507**	-	-	**375,507**

	Jun-26			
	Level 1	Level 2	Level 3	Total
	--------- (Rupees in '000) --------			
ASSETS				
Listed equity securities	465,797	-	-	465,797

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

16. GENERAL

16.1 No reclassification to the corresponding figures have been made during the year.

17. DATE OF AUTHORISATION FOR ISSUE

These financial statements were 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**