Quarterly Report
September 30, 2026
(Un-audited)

AKD
Islamic 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 Islamic Income 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
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited
Soneri Bank Limited
U Microfinance Bank Limited
MCB Islamic Bank Limited

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

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

Rating-AKDISIF
PACRA: AA-(f)

FUND MANAGER'S REPORT

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

Open – end Shariah Compliant Income Scheme

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

AKD Islamic Income Fund (AKDISIF) is a fund that primarily focuses on Shariah compliant income securities and instruments. The objective of AKDISIF is to provide investors with an investment vehicle that strives to enhance capital coupled with regular halal income by investing in Shariah compliant income investments.

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

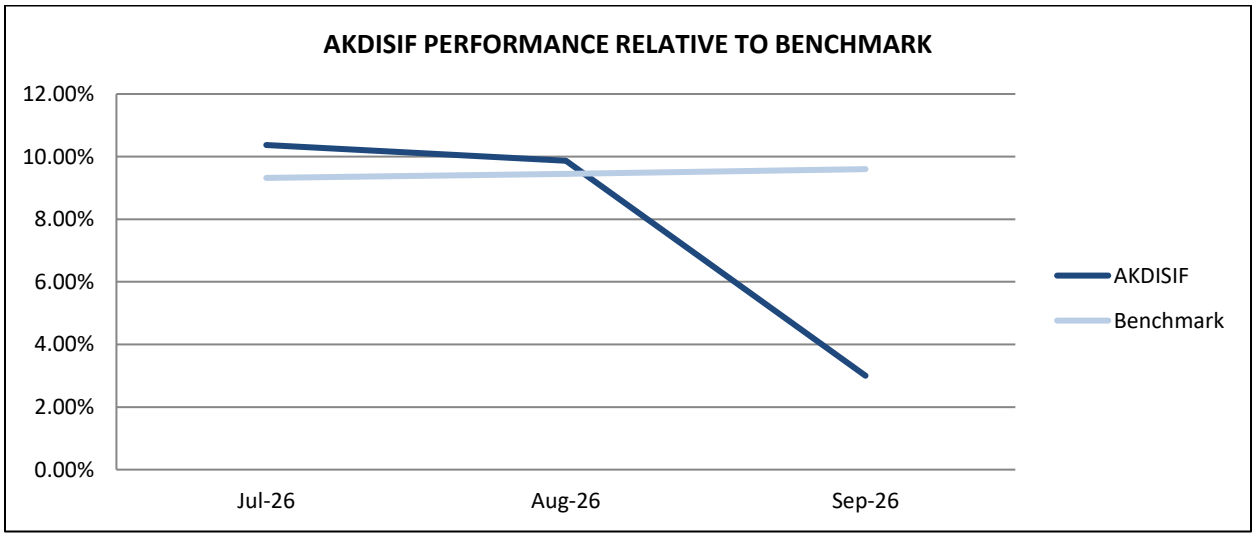
For the 1QFY27, the annualized return of AKD Islamic Income Fund stood at 7.85% compared to the benchmark return of 9.46%.

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

75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.

Note: Benchmark has been changed effective from 1-Jan-2025; previously Six (6) months average deposit rates of three (3) A Rated Scheduled Islamic Banks or Islamic Windows of Conventional 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
AKDISIF	10.37%	9.87%	3.00%
Benchmark	9.32%	9.45%	9.60%

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

AKD Islamic Income Fund is an open – end Shariah Compliant Income Scheme. The returns of the fund are generated primarily through investment in government securities, Shariah Complaint corporate debt instruments, and Islamic bank deposits.

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
Cash and Cash Equivalents	24.98%	24.83%
Sukuk	18.90%	11.93%
Short Term Sukuk	4.78%	13.05%
GOP Ijara Sukuk (over 90 days)	43.39%	37.73%
Spread Transactions	-	-
Placements with Banks, NBFCs and DFIs	-	-
Other Assets including Receivables	7.96%	12.46%

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

1QFY27 Return (annualized)	7.85%
Benchmark Return (annualized)	9.46%

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)	
1,885,787	1,958,968	-3.74%	54.0318	52.9840

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:

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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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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.

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	3,017
10,000 to 49,999	50
50,000 to 99,999	17
100,000 to 499,999	18
500,000 and above	8
Total	**3,110**

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 ISLAMIC INCOME FUND
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2026

	Note	Un-Audited September 30 2026	Audited June 30 2026
		----- (Rupees in '000) -----	
ASSETS			
Bank balances	5	**208,451**	542,724
Investments	6	**1,618,443**	1,316,603
Profit receivable	7	**55,760**	38,977
Deposits, prepayments and other receivables	8	**8,619**	8,190
Receivable against sale / conversion of units		**-**	85,455
Total assets		**1,891,273**	1,991,949
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	**487**	2,843
Payable to Digital Custodian Company Limited - Trustee	10	**172**	171
Payable to Securities and Exchange Commission of Pakistan	11	**120**	120
Accrued and other liabilities	12	**3,733**	22,232
Dividend payable		**680**	680
Advance against issuance of units		**-**	4,360
Payable against redemption/ conversion of units		**295**	2,576
Total liabilities		**5,487**	32,982
NET ASSET		**1,885,786**	1,958,967
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**1,885,786**	1,958,967
CONTINGENCIES AND COMMITMENTS	13		
		-------(Number of units)-------	
NUMBER OF UNITS IN ISSUE		**34,901,400**	36,972,806
		---------- (Rupees) ----------	
NET ASSET VALUE PER UNIT		**54.0318**	52.9840

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

For AKD Investment Management Limited
(Management Company)

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

AKD ISLAMIC INCOME FUND
Condensed Interim Income Statement (un-audited)
For the quarter ended September 30, 2026

	Note	For the quarter ended September 30 2026	2025
		----- (Rupees in '000) -----	
INCOME			
Net unrealised diminution / appreciation on re-measurement of investments classified as 'fair value through profit or loss'	6.7	**(12,255)**	3,082
Capital gain / (loss) on sale of investments		**24**	1,613
Income from sukuk certificates		**17,188**	13,694
Income from GoP Ijara sukuks		**20,096**	11,688
Amortization of discount on GoP Ijarah		**10,272**	-
Profit on bank deposits		**9,515**	9,094
Profit on clean placement		**-**	2,434
Dividend income		**-**	871
Other income		**599**	-
Total income		**45,439**	42,476
EXPENSES			
Remuneration of AKD Investment Management Limited - Management Company	9.1	**4,898**	3,623
Sindh sales tax on the remuneration of Management Company	9.2	**735**	543
Remuneration of Digital Custodian Company Limited - Trustee	10.1	**457**	435
Sindh sales tax on the remuneration of Trustee	10.2	**69**	65
Annual fee to Securities and Exchange Commission of Pakistan	11.1	**367**	272
Amortization of premium on GoP Ijarah		**387**	776
Auditors' remuneration		**63**	19
Settlement and bank charges		**11**	-
Brokerage fee		**8**	771
Fee and subscription		**48**	15
Legal and professional charges		**54**	17
Shariah Advisory Fee		**82**	26
Total expenses		**7,179**	6,560
Net income for the year before taxation		**38,260**	35,916
Taxation	14	**-**	-
Net income for the year after taxation		**38,260**	35,916
Allocation of net income for the year			
Net income for the year after taxation		**38,260**	35,916
Income already paid on units redeemed		**(3,551)**	(4,030)
		34,709	31,886
Accounting income available for distribution:			
Relating to capital gain		**-**	4,695
Excluding capital gain		**34,709**	27,191
		34,709	31,886

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

For AKD Investment Management Limited
(Management Company)

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

AKD ISLAMIC INCOME FUND
Condensed Interim Statement of Comprehensive Income (un-audited)
For the quarter ended September 30, 2026

	For the quarter ended September 30	
	2026	**2025**
	----- (Rupees in '000) -----	
Net income for the year after taxation	**38,260**	35,916
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**38,260**	35,916

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

For AKD Investment Management Limited
(Management Company)

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

AKD ISLAMIC INCOME 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 year before tax		**38,260**	35,916
Adjustments for non cash and other items:			
Amortization of premium on Sukuk certificates		**-**	-
Amortization of premium on GoP Ijarah		**387**	-
Amortization of discount on GoP Ijarah		**(10,272)**	-
Dividend income		**-**	-
Net unrealised appreciation on re-measurement of investments classified as 'fair value through profit or loss'	6.7	**12,255**	(3,082)
Net cash generated from operating activities before working capital changes		**40,630**	32,834
Working capital changes			
(Increase)/Decrease in assets			
Profit receivable		**(16,783)**	(18,487)
Deposits, prepayments and other receivables		**(429)**	42
Receivable against sale/ conversion of units		**85,455**	56,523
Receivable against sale of securities		**-**	-
Net Decrease/(Increase) during the period		**68,243**	38,078
Increase / (decrease) in liabilities			
Payable to AKD Investment Management Limited - Management Company		**(2,356)**	(1,928)
Payable to Digital Custodian Company Limited - Trustee		**1**	937
Payable to Securities and Exchange Commission of Pakistan		**-**	11
Accrued and other liabilities		**(18,498)**	(25,300)
Dividend payable		**-**	144
Advance against issuance of units		**(4,360)**	-
Payable against redemption/ conversion of units		**(2,281)**	92
payable against purchase of investments		**-**	103,175
Net (decrease) / increase during the period		**(27,494)**	77,131
Investments - net		**(304,209)**	(207,155)
		(304,209)	(207,155)
Net cash used in from operating activities		**(222,830)**	(59,112)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issuance of units - net		**237,342**	1,062,067
Distribution during the year		**-**	-
Payment against redemption of units		**(348,785)**	(645,193)
Net cash (used in) / generated from financing activities		**(111,443)**	416,874
Net (decrease)/increase in cash and cash equivalents		**(334,273)**	357,762
Cash and cash equivalents at the beginning of the year		**542,724**	370,730
Cash and cash equivalents at the end of the quarter	5	**208,451**	728,492

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

For AKD Investment Management Limited
(Management Company)

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

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

	Note	For the quarter ended 2026			For the quarter ended 2025		
		Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
		---------- Rupees in '000 ----------					
Net assets at beginning of the period		**1,916,344**	**42,623**	**1,958,967**	1,277,239	29,398	1,306,637
Issuance of 4,438,509 (2025: 20,314,761) units							
- Capital value		**235,178**	**-**	**235,178**	1,048,260	-	1,048,260
- Element of income		**2,165**	**-**	**2,165**	13,807	-	13,807
Total proceeds on issuance of units		**237,343**	**-**	**237,343**	1,062,067	-	1,062,067
Redemption of 6,510,160 (2025: 12,372,042) units							
- Capital value		**(344,934)**	**-**	**(344,934)**	(638,411)	-	(638,411)
- Element of loss		**(300)**	**(3,551)**	**(3,850)**	(2,752)	(4,030)	(6,782)
Total payments on redemption of units		**(345,234)**	**(3,551)**	**(348,785)**	(641,163)	(4,030)	(645,193)
Total comprehensive income for the quarter		**-**	**38,260**	**38,260**	**-**	35,916	35,916
Total distribution for the year		**-**	**-**	**-**	-	35,916	-
Net assets at end of the quarter		**1,808,453**	**77,332**	**1,885,786**	1,698,143	61,284	1,759,427
Undistributed income brought forward							
- Realised income			**55,262**			17,319	
- Unrealised (loss) / gain			**(12,639)**			12,079	
			42,623			29,398	
Accounting income available for distribution							
- Relating to capital gains			**-**			4,695	
- Excluding capital gains			**34,709**			27,190	
Net income for the year after taxation			**34,709**			31,886	
Distribution during the year							
Undistributed income carried forward			**77,332**			61,284	
Undistributed income carried forward							
- Realised income			**89,587**			58,202	
- Unrealised (loss) / income			**(12,255)**			3,082	
			77,332			61,284	
			(Rupees)			**(Rupees)**	
Net assets value per unit at beginning of the year			**52.9840**			51.6011	
Net assets value per unit at end of the quarter			**54.0318**			52.8919	

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

For AKD Investment Management Limited
(Management Company)

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

AKD ISLAMIC INCOME 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 Income 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 as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on 30 August 2017 and 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 ended Shariah Compliant (Islamic) Income 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 The Fund also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah principles.

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

1.8 The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of 'AM2' to the Management Company dated May 07, 2026 (2025: AM2 on May 07, 2025). The Fund has been given long term stability rating of 'AA- (f)' by PACRA on June 12, 2026 (2025: AA-(f) on September 09, 2025).

1.9 The Fund was 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.

2.0 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

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

2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2026.

2.3 These condensed interim financial statements are unaudited. In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 30 September 2026.

3 MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 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
5.	**BANK BALANCES**		**-----(Rupees in '000)----**	
	Saving accounts	5.1	**208,451**	542,724
			208,451	542,724

5.1 This represent bank accounts held with different banks. Mark-up rates on these accounts range between 0.1% to 13.75% (June 30, 2026 :0.1% to 10.5%) per annum.

6. INVESTMENTS

At fair value through profit or loss:

- Sukuk certificates	6.1	**470,797**	250,487
- Government securities	6.2	**1,147,645**	792,116
		1,618,443	1,042,603

At amortised cost

- Commercial paper - Unlisted / short term sukuk (STS)	6.6	**-**	274,000
		1,618,443	1,316,603

6.1 Sukuk certificates

Name of investee company	Rate of return per annum	As at 01 July 2026	Purchased during the year	Sold / Matured during the year	As at 30 September 2026	Carrying value as at 30 September 2026	Market value as at 30 September 2026	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	--- % ---	---------- Number of certificates ----------				---------- (Rupees in '000) ----------			----------%--------	
TPL Corporation Limited	13.49	1,150	-	-	1,150	38,333	38,333	-	0.02	0.08
Thatta Cement Company Limited	13.87	185	-	-	185	164,577	164,888	311	0.09	0.35
Pakistan Telecomunication Company Limited-Sukuk Cert-19th	11.82	45	-	-	45	45,000	45,000	-	0.02	0.10
Mughal Iron And Steel Industries Limited - Sukuk Vii	12.41	-	125	-	125	125,000	125,000	-	0.07	0.27
Daewoo Pakistan Express Bus Services Limited-Sts 3	14.25	-	50	-	50	50,000	50,000		0.03	0.11
Pakistan International Airlines Holdings Limited	11.20	10,000	-	-	10,000	47,576	47,576	-	0.03	0.10
				Total as at 30 September 2026		**470,487**	**470,797**	**311**		
				Total as at 30 June 2026		247,785	250,487	2,702		

6.2 GOP Ijara sukuk

Name of Investee Company	Rate of return per annum	As at 01 July 2026	Purchased during the year	Sold / Maturity during the period	As at 30 June 2026	Carrying value as at 30 September 2026	Market Value as at 30 September 2026	Unrealized appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investment
	--- % ---	---------- Face Value Rupees in '000 ----------				---------- (Rupees in '000) ----------			-------- % --------	
GOP Ijara Sukuk - with coupon	7.82% to 18%	694,735	12,910	6,520	701,125	696,775	684,775	(12,000)	0.36	0.60
GOP Ijara Sukuk - zero coupon	0%	111,720	372,500	-	484,220	463,436	462,870	(566)	0.25	0.40
		Total as at 30 September 2026				**1,160,211**	**1,147,645**	**(12,566)**		
		Total as at 30 June 2026				807,457	792,116	(15,341)		

		Un-Audited September 30 2026	Audited June 30 2026
7.	**PROFIT RECEIVABLE**	------- (Rupees in '000) -------	
	Profit receivable on:		
	- Sukuk certificates	**-**	7,689
	- Commercial papers / short term sukuks	**19,308**	8,649
	- GoP Ijara sukuk	**30,005**	15,225
	- Bank deposits	**6,447**	7,414
		55,760	38,977

8.	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**			
	Security deposits with			
	- National Clearing Company of Pakistan Limited		**2,500**	2,500
	- Central Depository Company of Pakistan Limited		**100**	100
	Security margin deposit		**4,563**	4,473
	Prepaid shariah advisor fee		**423**	427
	Advance tax	8.1	**609**	690
	Preapaid Rating Fee		**420**	-
	Other Receivable		**4**	-
			8,619	8,190

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance), payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150 of the Ordinance. However, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs. 0.609 million (2026: Rs. 0.690 million).

9.	**PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**			
	Management fee	9.1	**-**	1,601
	Sindh sales tax on management fee	9.2	**-**	240
	Expenses allocated by the Management Company	9.3	**-**	515
	Formation cost		**184**	184
	Sales load payable		**303**	303
			487	2,843

9.1 As per the offering document the Management Company has charged remuneration at the rate of 1% (2026: 1%) of average annual net assets of the Fund. Remuneration is paid to the Management Company on monthly basis in arrears.

9.2 Sindh sales tax on services at the rate of 15% (2026: 15%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

9.3 Previouly as per Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge fees and expenses for registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS). The SECP, vide S.R.O.600(I)/2025 dated 10 April, 2025, issued amendments to Schedule XX of the NBFC Regulations, whereby the chargeability of expenses related to these services has been excluded. This amendment became effective immediately upon its release on 10 April, 2025. Accordingly the Management Company has not charged any such expenses during the current period. For the year ended 30 June, 2026, such expenses were not charged (2025: upto 10 April, 2025, at a rate up to 1%) per annum on average daily net assets of the Fund.

		Note	2026	2026
10.	**PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE**		------- (Rupees in '000) -------	
	Trustee fee	10.1	**149**	149
	Sindh sales tax on Trustee fee	10.2	**23**	22
			172	171

10.1 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 consists of reimbursement of actual custodial expenses / charges plus the following tariffs;

Net assets	**Tariff**
Upto Rs. 1 billion	0.12% per annum of net assets
Over Rs. 1 billion	Rs. 1.2 million plus 0.065% per annum of net assets, on amount exceeding Rs. 1 billion

10.2 Sindh sales tax at the rate of 15% (2026: 15%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

11.	**PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**			
	Annual fee payable to SECP	11.1	**120**	120

11.1 All categories of Collective Investment Schemes are required to pay annual fee at an amount equal to 0.075% (2026: 0.075%) of the average annual net assets of the scheme. The fee is payable annually in arrears.

12.	**ACCRUED AND OTHER LIABILITIES**			
	Auditors' remuneration payable		**330**	238
	Brokerage payable		**80**	71
	Withholding tax payable		**78**	18,680
	Charity payable	12.1	**2,727**	2,727
	Payable against time barred cheques		**487**	487
	Others		**31**	29
			3,733	22,232

12.1 According to the instructions of the Shariah Advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes. However, no payment was made during the first quarter and will be subsequently paid.

13. CONTINGENCIES AND COMMITMENTS

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

14. 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 holder in cash. Since, the Fund has distributed more than 90 percent of it's income for the year ended June 30, 2026. Accordingly, no provision for current tax has been made in these financial statements. The Fund is also exempt form the provision of section 113 (minimum tax) under clause 11 A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15. EARNING PER UNIT

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

16. EXPENSE RATIO

The total expense ratio of the Fund is 1.47% (2026: 1.508%) and this includes 0.24% (2026: 0.182%) representing Government levy and SECP fee. The ratio of the previous year is within the maximum limit of 1.5% as prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Shariah Money Market 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 1.5% for a collective investment scheme categorised as 'Shariah Money Market Scheme', applicable previously, has been replaced with the management fee cap for a collective investment scheme categorised as 'Shariah Money Market Scheme' as disclosed in note 9.1 to these financial statements.

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

Nets Assets (in thousands)	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 Expense	TER with Levies	TER without Levies
1,942,625	1.0%	0.075%	0.09%	0.24%	0.006%	0.049%	0.08%	1.47%	1.23%

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 Holdings (Private) Limited, AKD Securities Limited,

other collective schemes managed by the Management Company, directors, officers and other connected persons of the Management Company, and directors, and other connected person.

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 year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial information, are as follows:

	For the quarter ended September 30	
	2026	2025
17.1 Transactions during the year	---- (Rupees in '000) -----	
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**4,898**	1,942
Sindh sales tax paid on Management Remuneration	**735**	252
Expenses allocated by the Management Company	**-**	1,554
Issue of 3,473 (2025: 1,031,464) units	**184**	12,000
Redemption of Nil (2025: 994,236) units	**-**	5,000
Digital Custodian Company Limited - Trustee		
Trustee remuneration	**457**	435
Sindh sales tax on trustee remuneration	**69**	65
KEY MANAGEMENT PERSONNEL OF THE MANAGEMENT COMPANY		
Issue of Nil (2025: 56,508,881) Units	**-**	18,717
Redemption of Nil (2025: 56,508,881) Units	**-**	20,319

		For the quarter ended September 30	
	Note	2026	2025
		---- (Rupees in '000) -----	
Key Management Personnel			
Mr. Toqir Hussain - Head of IT of the Management Company			
Issue of 112 (2025: Nil) units		**6**	-
Director and Chief Executive Officer of the Management Company			
Imran Motiwala			
Issue of 15,955 Units (2025: Nil) units		**850**	-
Redemption of 15,955 (2025: Nil) units		**854**	-
Sehr Imran - Spouse of the Chief Executive Officer of the Management Company			
Issue of 42,778 Units (2025: Nil) units		**2,303**	-
Redemption of 19,678 (2025: Nil) units		**1,056**	-
Chairperson of the Management Company			
Khalid Mahmood			
Issue of Units 275,287 (2025: Nil) units		**14,863**	-
Close Relative of Chairperson of the Management Company			
Shifa Khalid			
Issue of 83,979 Units (2025: Nil) units		**4,534**	-
Ali Wahab Siddiqui - Director of the Management Company			
Issue of 1,088 (2025: Nil) units		**59**	-
Lubna Najmul Hussain Dossa **			
Issue of 291 Units (2025: 1,419,866) units		**15**	75,000
Durain Cassim **			
Issue of 187,361 (2025: Nil) units		**10,098**	-
Redemption of 749,259 (2025: Nil) units		**40,000**	-
Dinaz Cassim **			
Issue of 371,064 Units (2025: 1,514,523) units		**20,000**	80,000

* last year's related party

** current year's related party

		September 2026	June 2026
17.2	**Balances outstanding at year end**	---- (Rupees in '000) -----	
	AKD Investment Management Limited - Management Company		
	Remuneration payable	**-**	1,601
	Sindh Sales Tax on Management remuneration	**-**	240
	Payable against expenses allocated by the Management Company	**-**	515
	Payable against formation cost	**184**	184
	Sales load payable	**303**	303
	Outstanding: 40,915 (2026: 37,443) units	**2,211**	1,984

AKD Securities Limited		
Brokerage fee payable	**-**	12
Digital Custodian Company Limited - Trustee		
Trustee remuneration payable	**149**	149
Sindh Sales Tax payable on trustee remuneration	**23**	22
Director and Chief Investment Officer of the Management Company		
Anum Dhedhi		
Units held: 64 (2026: 64)	**3**	3
Mr. Toqir Hussain - Head of IT of the Management Company		
Units held: 2,408 (2026: 2,295)	**130**	122
Mr. Carrow Michael - Head of HR of the Management Company		
Units held: 1 (2026: 1)	**0**	1
Sehr Imran Motiwala		
Units held: 33,529 (2026: 10,429) units	**1,812**	553
Hasan Ahmed - Director of Management Company		
Units held: 168 (2026: 168)	**9**	9
Ali Wahab Siddiqui - Director of Management Company		
Units held: 290,512 (2026: 289,424)	**15,697**	15,335
Muhammad Farid Alam - Key Management Personnel of Associated Company		
Units held: 755 (2026: 755)	**41**	40
Afsheen Aqeel Dhedhi - Close relative of Sponsor of Management Company		
Units held: 49 (2026: 49)	**3**	3
Yasmeen Dhedhi - Close relative of Sponsor of Management Company		
Units held: 25,616 (2026: 25,616)	**1,384**	1,357
Ubaid ur Rehman		
Units held: 128 (2026: Nil)	**7**	
Chairperson of the Management Company		
Khalid Mahmood		
Units held: 275,287 (2026: Nil)	**14,874**	-
Shifa Khalid		
Units held: 83,979 (2026: Nil)	**4,538**	-

M3 Technologies Pakistan Private Limited Employees Provident fund		
Common Directorship		
Units held: 317,241 (2026: 317,241)	**17,141**	16,809
Pak Qatar Investment Account - Connected		
person due to holding of more than 10% units *		
Units held: Nil (2026: 2,860,956)	**-**	151,585
Pak Qatar Individual Family Participant Investment Fund -		
Units held: 84,826 (2026: 84,826)	**4,583**	4,494
Durain Cassim		
Connected person due to holding 10% or more holding **		
Units held: 5,755,334 Units (2026: 6,317,232)	**310,971**	334,712
Dinaz Cassim		
Connected person due to holding 10% or more holding **		
Units held: 8,222,489 Units (2026: 7,849,496)	**444,276**	415,898
Lubna Najmul Hussain Dossa		
Connected person due to holding 10% or more holding **		
Units held: 6,759,165 (2026: 6,759,165)	**365,210**	358,128

* last year's related party

** current year's related party

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

'IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other 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).

	As at 30 September 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
	---------- (Rupees in '000) ----------			
Investment in securities - at fair value through profit or loss				
Investments	**1,147,645**	**470,797**	-	**1,618,443**

	As at 30 June 2026			
	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------			
Investment in securities - at fair value through profit or loss				
Investments	792,116	250,487	-	1,042,603

20. GENERAL

20.1 No significant reclassification / rearrangement of the corresponding figures has been made during the year in these financial statements

20.2 Figures have been rounded off to the nearest thousand rupees.

21. DATE OF AUTHORISATION FOR ISSUE

These financial statments 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**