Quarterly Report
September 30, 2025
(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
Ms. Aysha Ahmed
Mr. Ali Wahab Siddiqi
Mr. Hasan Ahmed
Mr. Abid Hussain

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY
Mr. Muhammad Yaqoob, CFA

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY
Mr. Muhammad Faizan Qureshi, ACMA

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

AUDIT AND RISK MANAGEMENT COMMITTEE
Mr. Abid Hussain (Chairman)
Ms. Aysha Ahmed (Member)
Mr. Ali Wahab Siddiqui (Member)
Mr. Hasan Ahmed (Member)
Mr. Khurram Ali

HUMAN RESOURCE AND REMUNERATION (HR & R) AND NOMINATION COMMITTEE
Mr.Khalid Mahmood (Chairman)
Mr. Imran Motiwala (Member)
Mr. Abid Hussain (Member)
Ms. Aysha Ahmed (Member)
Ms. Anum Dhedhi (Member)
Mr. Muhammad Yaqoob, CFA (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.

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), and AKD Islamic Daily Dividend Fund (AKDIDDF) is pleased to present its first quarter report along with the funds' un-audited financial statements for the quarter ended September 30, 2025.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)
For the 1QFY26, the return of AKD Opportunity Fund stood at 34.15% compared to the benchmark KSE–100 Index return of 31.73%.

Golden Arrow Stock Fund (GASF)
For the 1QFY26, the return of Golden Arrow Stock Fund stood at 33.32% compared to the benchmark KSE–100 Index return of 31.73%.

AKD Islamic Stock Fund (AKDISSF)
For the 1QFY26, the return of AKD Islamic Stock Fund stood at 28.11% compared to the benchmark KMI–30 Index return of 33.20%.

AKD Index Tracker Fund (AKDITF)
For the 1QFY26, the return of AKD Index Tracker Fund stood at 30.81% compared to the benchmark KSE–100 Index return of 31.73%.

AKD Cash Fund (AKDCF)
For the 1QFY26, the annualized return of AKD Cash Fund stood at 9.44% compared to the benchmark return of 10.66%.

AKD Islamic Income Fund (AKDISIF)
For the 1QFY26, the annualized return of AKD Islamic Income Fund stood at 9.92% compared to the benchmark return of 9.51%.

AKD Aggressive Income Fund (AKDAIF)
For the 1QFY26, the annualized return of AKD Aggressive Income Fund stood at 28.64% compared to the benchmark return of 11.20%.

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 13.16% compared to the benchmark return of 9.74%.

MACRO PERSPECTIVE

The first quarter of FY26 was defined by a strong financial market rally and continued monetary discipline, even as the economy faced significant flood-related supply shocks. The State Bank of Pakistan (SBP) maintained its policy rate at 11% throughout the quarter, prioritizing price stability and anchoring inflation expectations amid evolving risks. Investor sentiment remained robust, with the KSE-100 Index advancing by ~32% to a record close of 165,494 points by the end of quarter — reflecting confidence in macroeconomic management and structural resilience.

Monetary policy during the period remained cautious yet steady. In its September 15, 2025 Monetary Policy Committee (MPC) meeting, the SBP cited moderate headline inflation in July and August and a gradual decline in core inflation as justification for keeping rates unchanged. The decision represented a measured trade-off, viewing the flood-induced disruption as a temporary supply shock rather than a systemic demand imbalance. This stance helped preserve the fragile recovery without introducing additional monetary tightening.

Despite this stability, consumer sentiment diverged from official inflation trends. The Consumer Inflation Expectations Index rose 5.1% in July to 69.0, eased slightly to 67.5 in August, and increased 3.7% MoM in September to 70.0, reflecting persistent public concern over prices. The Asian Development Bank (ADB) echoed these concerns, forecasting average inflation of around 6% in FY26, driven by flood-related food shortages and anticipated gas tariff adjustments. This widening gap between anchored policy expectations and rising consumer sentiment highlights the risk of second-round inflationary effects if supply constraints persist longer than anticipated.

The economy's resilience against flood shocks without immediate financial instability was largely supported by fiscal consolidation achieved in the prior fiscal year. Preliminary data from the Ministry of Finance indicated that the fiscal deficit was contained at 0.2% of GDP, while the primary surplus improved to PKR 228.9 billion (0.2% of GDP), compared with PKR 107.1 billion in the same period last year. This provided the MPC confidence that the economy was "on a significantly stronger footing to withstand the negative fallout of the ongoing floods" compared to previous climate disasters, minimizing the risk of fiscal slippage despite the inevitable need for relief and reconstruction spending.

On the external front, the balance of payments remained broadly stable during the quarter, supported by robust remittance inflows and subdued import pressures. The Current Account Deficit (CAD) stood at USD 594 million, nearly unchanged from USD 504 million in the same period last year, reflecting effective external account management despite challenging conditions. Workers' remittances continued to serve as a critical stabilizing factor, rising 8.4% YoY to USD 9.53 billion in 1QFY26. However, structural weaknesses persisted, as the goods trade deficit widened 10.2% to USD 7.53 billion. Imports increased 8.3%, primarily due to post-flood reconstruction demand, while exports grew a modest 6.5%, reflecting supply-side constraints. The Pakistani rupee depreciated marginally by 1.3%, closing the quarter at PKR 281.32 per USD, indicating overall currency stability amid moderate external pressure.

Flood-related disruptions, however, weighed heavily on export performance. Food exports fell 31%, driven by steep declines in rice (-42%), Basmati rice (-44%), and vegetables (-41%), while imports of food (+35%), machinery (+21%), and transport goods (+112%) increased significantly. This shift reflected reconstruction demand and selective capital spending, but also exposed structural vulnerabilities in domestic production capacity and trade competitiveness.

High-frequency data indicated that industrial recovery remained uneven. The Large-Scale Manufacturing (LSM) Index grew 4.44% YoY in August 2025, reflecting improved activity in automobiles (+130%), cement (+18.6%), and fertilizer (+2.8%), while textiles (-0.3%), machinery (-45.4%), and petroleum products (-13.6%) contracted. The sharp decline in machinery and capital goods output suggested limited new investment, with growth driven primarily by consumer demand and inventory normalization rather than expansionary industrial activity. The MPC noted that ongoing flood impacts would likely temper near-term output gains, with FY26 growth expected to moderate relative to earlier projections.

Overall, Pakistan's macroeconomic performance in 1QFY26 demonstrated resilience in the face of climate and external headwinds. Disciplined monetary policy, fiscal prudence, and strong remittance inflows helped preserve stability despite inflationary risks and a widening trade deficit. The near-term challenge lies in managing flood-related supply pressures and tariff-induced inflation without derailing the fragile recovery.

Sustained policy continuity, targeted structural reforms, and enhanced supply-side capacity remain essential for maintaining economic stability and supporting a gradual transition from stabilization to growth in the coming quarters.

EQUITY MARKET REVIEW

The Pakistani equity market delivered a robust rally over the quarter, with the KSE-100 Index rising ~32% to close at 165,494 points by the end of September 2025. This impressive performance was underpinned by macroeconomic stabilization, a stable monetary policy environment, and strong domestic liquidity. Investor sentiment was further strengthened by the finalization of a historic trade agreement between Pakistan and the United States, focused on tapping into Pakistan's offshore oil reserves.

Momentum was reinforced by Pakistan's strategic cooperation agreement with Saudi Arabia, outlining multi-million-dollar investments in the energy and healthcare sectors. This included a $121 mn Saudi Fund for Development (SFD) package for hydropower and healthcare projects, along with a $1.2 bn oil-payment deferral, easing pressure on foreign exchange reserves and strengthening the country's external position. Additionally, the signing of the Pakistan–Saudi Strategic Mutual Defense Agreement, modeled on collective defense frameworks such as NATO, provided a further boost to investor sentiment. Beyond its geopolitical significance, the pact is expected to attract up to USD 3.5 bn in FDI from Saudi Arabia and allied Gulf partners, reinforcing confidence in Pakistan's long-term economic and security outlook. Collectively, these developments have enhanced Pakistan's standing as an emerging energy and investment hub, supported structural fiscal stability, and sustained the KSE-100's upward trajectory.

Investor participation was also strong throughout the quarter with average daily trading volume stood at 950 mn shares, up by 95% as compared to 487 mn shares in the same period last year. Foreign investors remained net sellers, with net outflows of $132.08 mn, as compared to net outflow of $21.73 mn in the same period last year. Notable selling was observed in the Oil and Gas Exploration Companies ($27.67 mn), Commercial Banks ($24.30 mn), Oil and Gas Marketing Companies ($14.52 mn), Fertilizer ($14.00 mn), and Technology and Communication ($10.14 mn). Foreign selling was majorly observed by the Mutual Funds with net purchases of $206.06 mn followed by Individuals, Companies, and NBFC with net buying of $89.00 mn, $28.14 mn, and $1.33 mn, respectively. However, Banks / DFI and Insurance Companies were major net sellers domestically, with respective divestments of $150.09 mn and $2.59 mn, respectively.

The July–September 2025 earnings season will be a key gauge for market direction, with highly leveraged sectors poised to benefit from lower borrowing costs and easing input prices. Early forecasts suggest margin improvement and stronger earnings, supporting momentum after a record FY25. The KSE-100, trading at a forward P/E of 4.6x, offers re-rating potential if earnings upgrades materialize, aided by liquidity rotation from fixed income. While external and political risks remain, they appear contained, and the near term should see continued recovery and targeted inflows into banks, construction-linked, and consumer sectors. Over the medium term, policy continuity, external stability, a rebound in agriculture and manufacturing, and gradual monetary easing are expected to support further gains. Overall, the outlook for Pakistani equities remains constructive, underpinned by improving fundamentals and resilient investor confidence.

FIXED INCOME REVIEW

During the quarter, the SBP maintained its policy rate at 11%, reflecting a disciplined monetary policy aimed at anchoring expectations amid rising risks. In the September 15, 2025 Monetary Policy Committee meeting, the SBP highlighted that inflation remained relatively moderate in July and August, alongside a slow but steady decline in core inflation, justifying the decision to keep the rate unchanged. Correspondingly, yields on government securities remained relatively stable, with the yield curve maintaining an upward slope, indicative of normal term premia and market confidence in the SBP's measured stance.

During the period, SBP conducted a total of six (6) Market Treasury Bills (MTB) auctions, where the Government managed to raise ~PKR 3.37 tn against the auction target of PKR 2.98 tn. Notably, the weighted average yields for 3, 6, and 12-month MTB were 10.81%, 10.78%, and 10.86% respectively, significantly down by 780 bps, 782 bps, and 671 bps as compared to 18.61%, 18.61%, and 17.57% during the same period last year. Moreover, the weighted average yield of 1-month MTB was 10.87% during the period.

To further address the need for liquidity, SBP also conducted three (3) auctions of fixed-rate Pakistan Investment Bonds (PIB) and was successful in raising PKR 1.64 tn. The weighted average yield for 3, 5, and 10 years fixed-rate PIB decreased by 475 bps, 367 bps, and 195 bps to 15.88%, 15.10%, and 14.11%, respectively as compared to 11.13%, 11.43%, and 12.16% during the same period last year.

In the market for Shariah Compliant instruments, a total of three (3) auctions were held for GOP Ijara Sukuk through the Pakistan Stock Exchange. These auctions, covering Variable Rental Rate (VRR), Fixed Rental Rate (FRR), and Fixed Rate Discounted (FRD) instruments, successfully raised PKR 484.11 bn, against the target of PKR 600 bn.

Looking ahead to the auction target calendars for Oct through Dec 2025, the SBP aims to raise PKR 4.50 tn by issuing 1 to 12-month MTB against the maturing amount of PKR 4.92 tn. Additionally, the SBP targets to raise PKR 1.25 tn through 2 to 15-year fixed-rate PIB whereas, PKR 950 bn is targeted to be raised through 10-year floating-rate PIB. Moreover, the Pakistan Stock Exchange issued a notice announcing auctions for the sale of GOP Ijara Sukuk, with the target of raising PKR 750 bn in the three upcoming auctions during Oct through Dec 2025.

FUTURE OUTLOOK

As Pakistan reaches the mid of FY26, the economy benefiting from stronger macroeconomic tailwinds and a supportive policy environment. The cumulative 1,000 bps reduction in the policy rate since the start of the monetary easing cycle, together with a headline CPI of 5.6% in September 2025, has normalized real interest rates, improved financing conditions, and provided businesses with access to cheaper credit, supporting capacity expansion. Following a prolonged tightening phase, private-sector credit growth is expected to gain momentum over the coming quarters, gradually translating macroeconomic stability into tangible economic growth.

The equity market outlook is cautiously constructive. Much of the current market performance reflects confidence in macroeconomic stability achieved through structural reforms. However, given the highly restrictive real interest rate environment, further normalization is expected by late Q2FY26 or early Q3FY26, which could provide stronger support for growth. In the near term, equity performance is likely to remain measured and below the previous quarter's momentum, with the corporate earnings season serving as the primary driver of market direction. Liquidity inflows are expected to gradually return to equities, though a broad-based rally appears unlikely without new catalysts.

Sectoral expectations are differentiated. Cyclical industries are positioned to benefit from improving demand, while commercial banks may face modest headwinds as monetary easing compresses net interest margins. The SBP's cautious approach, recognizing that the full impact of the rate reduction takes 18–24 months to transmit, indicates a gradual normalization process. Meanwhile, domestic political uncertainty and regional geopolitical risks remain potential constraints, underscoring the importance of sustained policy continuity and disciplined implementation to maintain investor confidence and support a stable growth trajectory.

Overall, while immediate equity market upside may be limited, the medium-term outlook is positive, supported by improving fundamentals, gradual monetary easing, and ongoing structural reforms.

For and on behalf of the board

Imran Motiwala	**Khalid Mahmood**
Chief Executive Officer	Chairman

Karachi:

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
Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited
Soneri Bank Limited
U Microfinance Bank Limited
MCB Islamic Bank Limited

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

Legal Advisor
Sattar & Sattar
Attorneys-at-Law
3rd Floor, UBL Building
I.I Chundrigar Road, 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.
Financial Investments Mart (Pvt) Ltd.
Investlink Advisor (Private) Limited.
Investomate (Private) Limited.

Rating-AKDISIF
PACRA: AA-(f)

AKD ISLAMIC INCOME FUND
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2025

	Note	(Un-Audited) September 30, 2025 Rupees in '000	(Audited) June 30, 2025 Rupees in '000
Assets			
Bank balances	5	**628,491**	370,730
Investments	6	**1,199,714**	989,477
Profit receivable on bank deposits and sukuk certificates	7	**47,751**	29,264
Deposits, prepayments and other receivables	8	**3,592**	3,634
Receivable against sale/conversion of units		**-**	56,523
Total Assets		**1,879,548**	1,449,628
Liabilities			
Payable to AKD Investment Management Limited - Management Company	10	**1,500**	3,428
Payable to Digital Custodian Company Limited - Trustee	11	**1,073**	136
Payable to Securities and Exchange Commission of Pakistan	12	**95**	84
Payable against redemption /conversion of units		**2,080**	1,988
Advance against of units		**-**	100,000
Payable against purchase of investments		**103,175**	-
Accrued expenses and other liabilities	13	**12,054**	37,354
Dividend payable		**144**	-
Total Liabilities		**120,121**	142,990
Net Assets		**1,759,427**	1,306,638
Unit Holders' Fund (as per statement attached)		**1,759,427**	1,306,638
Contingencies and Commitments	14		
		Number of units	
Number of units in issue		**33,264,599**	25,321,880
		Rupees	
Net assets value per unit		**52.8919**	51.6011

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

For AKD Investment Management Limited
(Management Company)

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

AKD ISLAMIC INCOME FUND
Condensed Interim Income Statement (un-audited)
For the first quarter ended September 30, 2025

	Note	Quarter ended September 30	
		2025	2024
		(Rupees in '000)	
Income			
Net unrealised appreciation / (deminution) on remeasurement of investments classified as 'financial assets at fair value through profit and loss'		**3,082**	17,843
Capital gain on sale of investment (Income from Spread transaction)		**1,613**	-
Income from sukuk certificates		**13,694**	34,059
Interest income from GoP Ijarah		**11,688**	-
Profit on Placements		**2,434**	-
Income from Islamic commercial papers / STS		**-**	11,012
Income from security margin		**-**	-
Dividend Income		**871**	-
Profit on bank deposits		**9,094**	19,665
Reversal of Provision against Sindh Workers' Welfare Fund		**-**	-
Total Income		**42,476**	82,580
Expenses			
Remuneration of AKD Investment Management Limited - Management Company		**3,623**	2,933
Sales tax on the remuneration of the Management Company		**543**	404
Remuneration of Digital Custodian Comapny Limited - Trustee		**435**	489
Sales tax on the Trustee remuneration		**65**	73
Annual fee to the Securities and Exchange Commission of Pakistan		**272**	306
Transaction charges		**771**	252
Expenses allocated by the Management Company		**-**	1,098
Amortization of premium on government securities		**776**	120
Auditors' remuneration		**19**	64
Fee and subscription		**15**	49
Legal and professional charges		**17**	55
Shariah Advisory Fee		**26**	-
Total expenses		**6,560**	5,843
Net income for the period before taxation		**35,916**	76,736
Taxation	16	**-**	**-**
Net Profit for the period after taxation		**35,916**	76,736
Allocation of net income for the period			
Net income for the period after taxation		**35,916**	76,736
Income already paid on units redeemed		**(4,030)**	-
		31,886	76,736
Accounting income available for distribution			
Relating to capital gains		**4,695**	17,843
Excluding capital gains		**27,190**	58,893
		31,886	76,736

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

For AKD Investment Management Limited
(Management Company)

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

AKD ISLAMIC INCOME FUND
Condensed Interim Statement of Comprehensive Income (un-audited)
For the first quarter ended September 30, 2025

	2025	2024
	(Rupees in '000)	
Net Profit for the period after taxation	**35,916**	76,736
Other comprehensive income for the period	-	-
Total comprehensive income for the period	**35,916**	76,736

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

For AKD Investment Management Limited
(Management Company)

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

AKD ISLAMIC INCOME FUND
Condensed Interim Cash Flow Statement (un-audited)
For the first quarter ended September 30, 2025

	Note	2025	2024
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit for the period before taxation		**35,916**	76,736
Adjustments			
Amortisation of preliminary expenses and floatation costs		**-**	-
Net unrealised (appreciation) / dminution on remeasurement of investments classified as 'financial assets at fair value through profit and loss'		**(3,082)**	(17,843)
		32,834	58,893
(Increase) / decrease in assets			
Investments		**(207,155)**	(77,717)
Profit receivable on bank deposits and sukuk certificates		**(18,487)**	(68,526)
Deposits, prepayments and other receivables		**42**	(26,153)
Receivable against sale/conversion of units		**56,523**	(81,872)
Receivable against sale of Investments		**-**	-
		(169,077)	(254,268)
Increase / (decrease) in liabilities			
Payable to AKD Investment Management Limited - Management Company		**(1,928)**	2,158
Payable to Digital Custodian Company Limited - Trustee		**937**	615
Payable to Securities and Exchange Commission of Pakistan		**11**	302
Payable against purchase of investments		**103,175**	401,117
Payable against redemption /conversion of units		**92**	5,858
Accrued expenses and other liabilities		**(25,300)**	(11,076)
Dividend payable		**144**	-
		77,131	398,974
Net cash (used in) / generated from operating activities		**(59,112)**	203,598
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issue of units		**1,062,067**	668,149
Payment against redemption of units		**(645,193)**	(612,689)
Net cash generated from / (used in) financing activities		**416,874**	55,460
Net increase / (decrease) in cash and cash equivalents		**357,762**	259,058
Cash and cash equivalents at beginning of the period		**370,730**	701,259
Cash and cash equivalents at end of the period	5	**728,492**	960,317

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

For AKD Investment Management Limited
(Management Company)

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

AKD ISLAMIC INCOME FUND
Condensed Interim Statement of Movement In Unit Holders' Fund (un-audited)
For the first quarter ended September 30, 2025

	2025			2024		
	Capital value	Undistributed income	Net assets	Capital value	Undistributed income	Net assets
	----------------------	(Rupees in '000)	----------------------	----------------------	(Rupees in '000)	----------------------
Net assets at beginning of the period	**1,277,239**	**29,398**	**1,306,638**	1,685,212	22,402	1,707,614
Issuance of 20,314,761 units (2024: 12,500,817 units)						
- Capital value (at Ex-Nav at the beginning of the period)	**1,048,260**	**-**	**1,048,260**	642,254	-	642,254
- Element of income	**13,807**	**-**	**13,807**	25,895	-	25,895
Total proceeds on issuance of units	**1,062,067**	**-**	**1,062,067**	668,149	0	668,149
Redemption of 12,372,042 units (2024: 11,633,109 units)						
- Capital value (at Ex-Nav at the beginning of the period)	**(638,411)**	**-**	**(638,411)**	(597,413)	-	(597,413)
- Element of income	**(2,752)**	**(4,030)**	**(6,782)**	(3,696)	(11,581)	(15,277)
Total payments on redemption of units	**(641,163)**	**(4,030)**	**(645,193)**	(601,109)	(11,580.71)	(612,689)
Total comprehensive income / (loss) for the period	**-**	**35,916**	**35,916**	-	76,736	76,736
Distribution during the period	**-**	**-**	**-**	-	-	-
Refund of Capital	**-**	**-**	**-**	-	-	-
Net (loss) / income for the period less distribution	**-**	**35,916**	**35,916**	-	76,736	76,736
Net assets at end of the period	**1,698,143**	**61,284**	**1,759,427**	1,752,253	87,557	1,839,810
Undistributed income brought forward						
- Realised		**17,319**			29,569	
- Unrealised		**12,079**			(7,167)	
		29,398			22,402	
Accounting (loss) / income available for distribution						
- Relating to capital gains		**4,695**			17,843	
- Excluding capital gains		**27,190**			58,893	
		31,886			76,736	
Distribution during the period		**-**			(11,581)	
Undistributed gain carried forward		**61,284**			87,557	
Undistributed gain carried forward						
- Realised income		**58,202**			69,714	
- Unrealised income / (loss)		**3,082**			17,843	
		61,284			87,557	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			**51.6011**			51.3546
Net assets value per unit at end of the period			**52.8919**			53.9231

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

For AKD Investment Management Limited
(Management Company)

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

AKD ISLAMIC INCOME FUND
Notes to the condensed Interim financial statements (un-audited)
For the first quarter ended September 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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.

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.

The Fund is categorised as an open end Shariah Complaint (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.

The Management Company has been assigned a quality rating of AM2 (June 30, 2025: "AM2") by the Pakistan Credit Rating Agency Limited (PACRA) on May 07, 2025. The Fund has been given long term stability rating of 'AA- (f)' by PACRA on 18 July 2025.

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

The Fund is registered on August 23, 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

These condensed 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 Accounting Standard (IAS) 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement of the Trust Deed

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

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

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 2025.

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 2025.

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 2025.

	Note	(Un-audited) September 30, 2025	Audited June 30, 2025
		Rupees in '000	
5. BANK BALANCES			
In saving accounts	5.1	**628,491**	370,764

5.1 This represent bank accounts held with different banks. Mark-up rates on these accounts range between 0.1% to 10.3% (June 30, 2025:10% to 20.5%) per annum.

6. INVESTMENTS

Financial assets at Fair value through profit or loss			
-Listed equity securities(spread transactions)	6.1.1	**287,700**	-
- Sukuk certificates	6.1.2	**525,712**	145,455
-GOP Ijara Sukuk	6.1.3	**341,000**	590,022
		1,154,412	735,477
At amortised cost			
- Commercial paper-unlisted / Short Term Sukuk (STS)	6.1.4	**45,302**	254,000
		1,199,714	989,477

6.1.1 **Listed equity securities (spread transactions)**

Name of investee company	As at 01 July 2025	Purchased during the year	Sold / disposed	As at 30 September 2025	Carring Value	Market Value	Unrealized Capital Gain / (Loss)
	---------------- Number of shares ----------------						
Automobile Assembler							
Ghandhara Automobiles Limited	-	5,000	-	5,000	2,969	2,954	15
Cement							
Power Cement Limited	-	50,000	-	50,000	968	949	19
Fauji Cement Company Limited	-	125,000	-	125,000	7,549	7,631	(82)
Electrical Goods / Electronics							
Pak Elektron Limited	-	1,155,000	-	1,155,000	63,761	65,465	(1,704)
Exploration & Production							
Oil & Gas Development Company Limited	-	117,500	-	117,500	32,995	32,574	421
Gas Distribution							
Sui Southern Gas Company Limited	-	1,094,000	741,000	353,000	15,435	15,179	256
Oil Marketing Company (OMC)							
Pakistan State Oil Company Limited	-	147,500	122,000	25,500	12,116	12,047	69
Sui Northern Gas Pipelines Limited		500	500	-			-
Pharmaceuticals							
Citi Pharma Limited	-	616,500	341,500	275,000	27,066	27,579	(513)
The Searle Company Limited	-	642,500	85,000	557,500	65,426	65,238	188
Power Generation & Distribution							
The Hub Power Company Limited	-	255,500	122,000	133,500	31,145	31,947	(802)
Refinery							
Pakistan Refinery Limited	-	237,000	229,000	8,000	296	295	1
Attock Refinery Limited	-	103,500	77,500	26,000	18,179	18,072	107
Technology & Communication							
Systems Limited	-	224,500	164,500	60,000	8,789	9,077	(288)
NetSol Technologies Limited		3,500	3,500	-			-
INV. BANKS / INV. COS. / SECURITIES COS							
Engro Holdings Limited	-	48,500	48,500	-			-
Engineering							
International Industries Limited	-	10,500	10,500	-			-
Cement							
Lucky Cement Limited	-	1,000	1,000	-			-
Maple Leaf Cement Factory Limited		25,000	25,000	-			-
Oil & Gas Exploratiuon Companies							
Mari Energies Limited		38,000	38,000	-			-
Pakistan Petroleum Limited		149,500	149,500	-			-
Textile Composite							
Nishat Mills Limited		48,500	48,500	-			-
Cabel & Electrical Goods							
Pak Elektron Limited		28,000	28,000				
Fertilizer							
Fauji Fertilizer Company Limited		500	500				
	Total as at 30 September 2025				286,694	289,007	(2,313)
						(1,307)	(1,307)
Net Impac of mark to market of future contracts						(1,006)	
TMV of investment in spread transaction						287,700	
	Total as at 30 June 2025						

6.1.2 Sukuk certificates

Name of investee company	Rate of return per annum	Number of certificates: As at 01 July 2025	Purchased during the period	Sold / matured during the period	As at 30 September 2025	Carrying value as at 30 September 2025	Market value as at 30 September 2025	Unrealised appreciation / (diminution) as at 30 September	Market value as a percentage of net assets	Market value as a percentage of total investments
	(%)					------------------- (Rupees in '000) -------------------			-------------------- (%) -------------------	
Sukuk certificates - listed										
MUGHAL IRON AND STEEL INDUSTRIES LTD-SUKUK CERTIFICATES-I [36972 - 05/01/2024]	12.33%	10	-	-	10	1,253	1,251	(2)	0.07%	0.33%
PAKISTAN TELECOMMUNICATION COMPANY LTD-SUKUK CERT-15TH ISSUE [53015 - 18/09/2025	11.11%	-	62		62	62,000	62,000	-	3.52%	-
TPL TRAKKER LIMITED - SUKUK CERTIFICATES - II [36973 - 05/01/2024]	14.08%	115	-	-	115	12,908	13,218	311	0.75%	9.20%
Sukuk certificates - unlisted										
CITI PHARMA LIMITED - SUKUK CERTIFICATES - 2ND ISSUE [51829 - 22/07/2025]	11.86%	-	45	-	45	45,000	45,000	-	2.56%	-
ISMAIL INDUSTRIES LIMITED - SUKUK CERTIFICATE - 5TH ISSUE [52426 - 12/08/2025]	11.02%	-	75	-	75	75,000	75,000	-	4.26%	0.94%
K-ELECTRIC LIMITED - SHORT TERM SUKUK-31 (STS-31) [48565 - 16/04/2025]	11.05%	10,000	-	-	125	125,000	125,000	-	7.10%	1.79%
K-ELECTRIC LIMITED - SHORT TERM SUKUK-32 (STS-32) [50325 - 12/06/2025]	10.98%	-	-	-	80	80,000	80,000	0	4.55%	0.80%
PIA Holding Company Limited Sukuk [46692 - 03/02/2025]	12.00%	10,000	-	-	10,000	47,576	47,576	-	2.70%	-
TPL CORP LIMITED - SUKUK CERTIFICATES [36970 - 05/01/2024]	13.31%	1,150	-	-	1,150	76,667	76,667	-	4.36%	5.25%
				Total as at 30 September 2025		**525,403**	***525,712***	**309**		
							-			
				Total as at 30 June 2025		139,279	145,455	6,175		

6.1.3 GOP Ijara Sukuk

Particulars	Rate of return per annum	*Face Value "Rupees": As at July 01, 2025*	*Purchased during the period*	*Sold/Maturity during the period*	*As At September 2025*	*Carrying Cost*	*Market Value*	*Unrealized appreciation / (diminution)*
						----------------- *(Rupees)* ---------------		
GOP IJARAH SUKUK - 03 YEARS - FRR (21-10-24) [49578 - 13/05/2025]	12.00%	-	*5,000*	-	*5,000*	*25,652*	*25,912*	259.54
GOP IJARAH SUKUK - 03 YEARS - FRR (21-10-24) [49579 - 13/05/2025]	12.00%	-	*5,000*	-	*5,000*	*25,652*	*25,912*	259.54
GOP IJARAH SUKUK - 03 YEARS - VRR (28-06-24) [42714 - 05/09/2024]	10.60%	-	*10,000*	-	*10,000*	*50,424*	*50,470*	46.38
GOP IJARAH SUKUK - 03 YEARS - VRR (28-06-24) [42737 - 06/09/2024]	10.60%	-	*5,000*	-	*5,000*	*25,212*	*25,235*	23.19
GOP IJARAH SUKUK - 03 YEARS - VRR (28-06-24) [42850 - 12/09/2024]	10.60%	-	*10,000*	-	*10,000*	*50,424*	*50,470*	46.38
GOP IJARAH SUKUK - 05 YEARS - FRR (21-10-24) [43706 - 21/10/2024]	12.53%	-	*5,000*	-	*5,000*	*26,398*	*26,695*	296.85
GOP IJARAH SUKUK - 05 YEARS - FRR (21-10-24) [44145 - 07/11/2024]	12.53%	-	*15,000*	-	*15,000*	*79,194*	*80,085*	890.56
GOP IJARAH SUKUK - 05 YEARS - VRR (10-05-24) [40125 - 24/05/2024]	12.25%	-	*8,000*	-	*8,000*	*41,140*	*41,168*	27.66
GOP IJARAH SUKUK - 05 YEARS - VRR (28-06-24) [43014 - 16/09/2024]	7.80%	-	*3,000*	-	*3,000*	*15,149*	15,053	(95.97)
		-	***66,000***	**-**	***66,000***	***339,246***	***341,000***	1,754
			Total as at 30 June 2025			584,118	590,022	5,904

6.1.4 Commercial paper - Unlisted / short term sukuks (STS)

Particulars	Rate of return per annum	*Face Value "Rupees": As at July 01, 2025*	*Purchased during the period*	*Sold/Maturity during the period*	*As At September 2025*	*Carrying Cost*	*Market Value*	*Unrealized appreciation / (diminution)*	*Market value as a percentage of net assets*	*Market value as a percentage of Total Investments*
GOP IJARAH SUKUK - 01 YEAR (30-09-25) [53162 - 30/09/2025]	0.00%	-	10,000	-	10,000	45,289	45,302	13	2.84%	0.07%
			Total as at 30 June 2025			45,289	45,302			

6.2 The nominal value of these commercial papers is Rs 1,000,000 each.

Money Market Placements

Certificates of mudaraba

	As at July 1, 2025	Purchased during the year	Sold/ matured during the year	As at Spetember 30, 2025	Profit rate	Issue Date	Maturity date
	------- Rupees -------						
Zarai Taraqiati Bank Ltd	-	130,000,000	130,000,000	-	10.50%	1-Aug-25	8-Aug-25
Zarai Taraqiati Bank Ltd	-	55,000,000	55,000,000	-	10.50%	15-Aug-25	22-Aug-25
Zarai Taraqiati Bank Ltd	-	120,000,000	120,000,000	-	10.50%	21-Jul-25	25-Jul-25
Zarai Taraqiati Bank Ltd	-	120,000,000	120,000,000	-	10.50%	25-Jul-25	1-Aug-25
Zarai Taraqiati Bank Ltd	-	90,000,000	90,000,000	-	10.50%	29-Aug-25	3-Sep-25
Zarai Taraqiati Bank Ltd	-	140,000,000	140,000,000	-	10.50%	5-Sep-25	8-Sep-25
Zarai Taraqiati Bank Ltd	-	95,000,000	95,000,000	-	10.50%	18-Jul-25	21-Jul-25
Zarai Taraqiati Bank Ltd	-	130,000,000	130,000,000	-	10.50%	8-Aug-25	15-Aug-25
Zarai Taraqiati Bank Ltd	-	50,000,000	50,000,000	-	10.50%	8-Aug-25	12-Aug-25
Zarai Taraqiati Bank Ltd	-	90,000,000	90,000,000	-	10.50%	3-Sep-25	5-Sep-25
Zarai Taraqiati Bank Ltd	-	95,000,000	95,000,000	-	10.50%	18-Jul-25	21-Jul-25
Zarai Taraqiati Bank Ltd	-	130,000,000	130,000,000	-	10.50%	8-Aug-25	15-Aug-25
Zarai Taraqiati Bank Ltd	-	110,000,000	110,000,000	-	10.50%	30-Jun-25	21-Jul-25
Zarai Taraqiati Bank Ltd	-	120,000,000	120,000,000	-	10.50%	21-Jul-25	25-Jul-25
Zarai Taraqiati Bank Ltd	-	120,000,000	120,000,000	-	10.50%	25-Jul-25	1-Aug-25
Zarai Taraqiati Bank Ltd	-	90,000,000	90,000,000	-	10.50%	29-Aug-25	3-Sep-25
Zarai Taraqiati Bank Ltd	-	140,000,000	140,000,000	-	10.50%	5-Sep-25	8-Sep-25
Zarai Taraqiati Bank Ltd	-	130,000,000	130,000,000	-	10.50%	1-Aug-25	8-Aug-25
Zarai Taraqiati Bank Ltd	-	50,000,000	50,000,000	-	10.50%	8-Aug-25	12-Aug-25
Zarai Taraqiati Bank Ltd	-	55,000,000	55,000,000	-	10.50%	15-Aug-25	22-Aug-25
Zarai Taraqiati Bank Ltd	-	90,000,000	90,000,000	-	10.50%	3-Sep-25	5-Sep-25
	-	**2,150,000,000**	**2,150,000,000**	**-**			
As at June 30, 2025	**-**	**-**	**-**	**-**			

Certificates of musharika

	As at July 1, 2025	Purchased during the year	Sold/ matured during the year	As at Spetember 30, 2025	Profit rate	Issue Date	Maturity date
	------- Rupees -------						
AlBaraka Bank (Pakistan) Limited	-	100,000,000	100,000,000	-	10.50%	21-Jul-25	25-Jul-25
Habib Bank Ltd - Islamic Banking	-	100,000,000	100,000,000	-	10.50%	10-Jul-25	18-Jul-25
AlBaraka Bank (Pakistan) Limited	-	100,000,000	100,000,000	-	10.50%	21-Jul-25	25-Jul-25
Habib Bank Ltd - Islamic Banking	-	100,000,000	100,000,000	-	10.50%	10-Jul-25	18-Jul-25
	-	**400,000,000**	**400,000,000**	**-**			
As at June 30, 2025	**-**	**-**	**-**	**-**			

		(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
		Rupees in '000	

7 PROFIT RECEIVABLE ON BANK AND SUKUK CERTIFICATES

	(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
Profit receivable on:		
- Sukuk certificates receivable	**22,836**	4,062
- Commercial papers / short term sukuks	**-**	5,755
- GoP Ijara sukuk	**20,028**	18,745
- Clean placement	**2**	32
- Bank deposits	**4,015**	670
Dividend Receivable	**871**	-
	47,751	29,264

8 DEPOSITS AND PREPAYMENTS AND OTHER RECEIVABLES

	(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
Security deposits with		
- National Clearing Company of Pakistan Limited	**2,500**	2,500
- Central Depository Company of Pakistan Limited	**100**	100
Security margin deposit	**-**	-
Prepaid shariah advisor fee	**-**	344
Prepaid rating fee	**177**	
Prepaid listing fee	**16**	
Prepaid Printing	**64**	
Advance tax	**594**	690
Other Receivable	**141**	
	3,592	3,634

10 PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
Management Fee	10.1	**1,305**	2,005
Sindh sales tax on management fee	10.2	**196**	300
Expenses allocated by the management company		**-**	515
Formation cost		**-**	184
Sales load payable		**-**	424
Others		**-**	-
		1,500	3,428

10.1 During the period the Management Company has charged 1.80%(2025: 0.016% to 1%) p.a. management fee from July 01, 2025 to September 30, 2025 on the daily net assets of the Fund.

10.2 Sindh sales rax at the rate of 15% (June 30, 2025: 15%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

10.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company, based it's own discretion while keeping in view the overall return as the total expense ratio limit as defined under NBFC Regulations, 2008, has charged its fees at the rate of ranging from 0.2% to 0.4% (2024: 0.4%) per annum of the average annual net assets of the Fund.

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

(a) Printing costs and related expenses for issuing the quarterly, half-yearly, and annual reports of the CIS;
(b) Fees and expenses related to registrar services, accounting, operations, and valuation services of the CIS;
(c) Selling and marketing expenses for the purpose of opening and maintenance of branches;
(d) Payment of salaries/commission to the sales team and distributors;
(e) Advertising and publicity expenses, and development of alternate delivery/distribution channels for the CIS.

11 PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE

	Note	(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
Trustee fee	11.1	**754**	116
Sindh Sales Tax	11.2	**319**	20
		1,073	136

11.1 The Trustee is entitled to a monthly remuneration to be paid monthly in arrears 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 tariff structure applicable to the fund is as follows:

Amount of Funds Under Management [Average Net Assets Value (NAV)]	**Tariff per annum**
Upto Rs 1 bilion	0.12% of Net Assets
Exceeding Rs 1 billion	Rs. 1.2 million plus 0.065% per anum of the amount exceeding Rs. 1 billion

11.2 Sindh Sales Tax is charged at 15% (June 30, 2025: 15%) on Trustee fee.

12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

Annual fee payable to SECP	12.1	**95**	84

12.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme is required to pay as monthly fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075% (June 30, 2024: 0.075%) percent of the average annual net assets of the scheme. The fee is payable monthly in arrears.

13 ACCRUED AND OTHER LIABLITIES

Auditors remuneration	**-**	320
Brokerage Payable	**-**	350
NCC fee Payable	**63**	-
Expenses Payable	**-**	33,965
Withhoding tax payables & Capital Gain Tax Payables	**3,001**	-
Transaction charges payable	**1,121**	-
Zakat payable	**19**	-
Legal and professional charges payable	**157**	-
Annual listing fee payable	**18**	-
Sales load payable	**497**	20
Payable against time barred cheques	**487**	487
Charity Payable	**2,172**	2,172
Unrealised loss of future transactions	**-**	-
Shariah Advisory Fee	**219**	-
Others	**4,300**	74
	12,054	37,388

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at September 30, 2025 and June 30, 2025.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2025 is 1.80% (Sep. 30, 2024: 1.45%) (annualised) which includes 0.24% (Sep. 30, 2024: 0.20%) (annualised) representing government levies on the Fund such as Sales Taxes, Annual fee to the SECP. This ratio is within the maximum limit of 2.5% (2024: 2.5%) prescribed under the NBFC Regulations for a collective investment scheme categorised as " Shariah Compliant Income Scheme".

16 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. 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. The Management Company has intends to distribute cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AKD Investment Management Limited, being the Management Digital Custodian Company Limited, being the Trustee, AKD Group Holding Private Limited (Formerly: Aqeel Karim Dhedhi Securities Limited), AKD Securities Limited, directors, officers and other connected persons of the Management Company, and their connected persons.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates. Details of transactions and balances with connected persons are as follows:

	(Un-Audited)	
	Period ended September 30,	
	2025	**2024**
17.1 Transactions during the period	(Rupees in '000)	
AKD Investment Management Limited - Management Company		
Remuneration to the Management Company	**1,942**	1,942
Sales Tax Provincial on Management Remuneration	**252**	252
Expenses allocated by the Management Company	**1,554**	1,554
Issue of 229,125 units (2024: Nil units)	**12,000**	-
Redemption of 94,628 units (2024: Nil units)	**5,000**	-
Digital Custodian Company Limited - Trustee		
Remuneration to the Trustee	**435**	391
Sales tax on trustee remuneration payable	**65**	51
KEY MANAGEMENT PERSONNEL OF THE MANAGEMENT COMPANY		
Issue of 357,878 units (2024: 8,951 units)	**18,717**	471
Redemption of 385,611 units (2024: 8,771 units)	**20,319**	463
Connected person due to Holding of more than 10% units		
Issue of 2,934,389 units (2024: 199,288 units)	**155,000**	10,585
Redemption of Nil units (2024: 5,932,342 units)	**-**	312,000

	(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
	Rupees in '000	
17.2 Balances outstanding at the period / year end		
AKD Investment Management Limited - Management Company		
Remuneration payable	**1,305**	2,005
Sales Tax Provincial on Management Remuneration	**196**	300
Payable against expenses allocated by the Management Company	**-**	515
Payable against formation cost	**-**	184
Sales load payable	**-**	424
Outstanding 134,712 (June 2025: 214) Units	**7,125**	11
Digital Custodian Company Limited - Trustee		
Remuneration payable	**754**	116
Sindh Sales Tax on trustee remuneration payable	**319**	20
KEY MANAGEMENT PERSONNEL OF THE MANAGEMENT COMPANY		
Units held: 305,705 (June 2025: 333,484)	**16,169**	17,208
10% Above		
Units held 8,924,743 (June 2025: 5,990,354)	**472,046**	309,109
AKD Securities Limited - Associated Company		
Brokerage payable	**336**	177
M3 Technologies Pakistan Private Limited Employees Provident fund Common Directorship		
Units held: 297,498 (June 2025: 297,498)	**15,735**	15,351
Pak Qatar Investment Account		
Units held: Nil (June 2025: 2,686,337)	**-**	138,618
Pak Qatar Individual Family Participant Investment Fund		
Units held: nil (June 2025: 79,649)	**-**	4,110
AKD Investment Management Ltd Staff Provident Fund		
Units held: 6,817 Units (June 2025: 6,817)	**361**	352

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period 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 recognized 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).

The following table show the carrying amount and fair values of financial assets and financial liabilities including the levels in the fair value hirearchy.

	As at September 30, 2025						
	Carrying Amount			**Fair Value**			
	At fair value through profit or loss	**At amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Rupees in '000)			**(Rupees in '000)**			
ASSETS							
Financial assets measured at fair value							
Investment	**1,154,412**	**45,302**	**1,199,714**	**287,700**	**866,712**	**-**	**1,154,412**

	As at June 30, 2025						
	Carrying Amount			Fair Value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			(Rupees in '000)			
ASSETS							
Financial assets measured at fair value							
Investment	735,477	254,000	989,477	-	735,477	-	735,477

During the period ended September 30, 2025, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on ___________ by the Board of Directors of the Management Company.

20. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

21. GENERAL

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

For AKD Investment Management Limited
(Management Company)

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