Quarterly Report
December 31, 2024
(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
Mr. Khalid Mehmood
Mr. Imran Motiwala

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

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY
Mr. Muhammad Munir Abdullah

HEAD OF INERNAT AUDIT OF THE MANAGEMENT COMPANY
Ms. Tayyaba Masoom Ali, ACA (ICAP & ICAEW)

AUDIT AND RISK MANAGEMENT COMMITTEE
Mr. Abid Hussain (Chairman)
Ms. Aysha Ahmed (Member)
Mr. Ali Wahab Siddiqui (Member)
Mr. Hasan Ahmed (Member)
Ms. Tayyaba Masoom Ali, ACA (ICAP & ICAEW) (Secretary)

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 Sultan, CFA (Secretary)

RATING
AKD Investment Management Limited AM3++ (AM Three Plus Plus) 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 half yearly report along with the Funds' reviewed Financial Statements for the first half ended December 31, 2024.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)
For the 1HFY25, the return of AKD Opportunity Fund stood at 40.67% compared to the benchmark KSE–100 Index return of 46.76%.

Golden Arrow Stock Fund (GASF)
For the 1HFY25, the return of Golden Arrow Stock Fund stood at 44.14% compared to the benchmark KSE–100 Index return of 46.76%.

AKD Islamic Stock Fund (AKDISSF)
For the 1HFY25, the return of AKD Islamic Stock Fund stood at 47.28% compared to the benchmark KMI–30 Index return of 41.30%.

AKD Index Tracker Fund (AKDITF)
For the 1HFY25, the return of AKD Index Tracker Fund stood at 44.12% compared to the benchmark KSE–100 Index return of 46.76%.

AKD Cash Fund (AKDCF)
For the 1HFY25, the annualized return of AKD Cash Fund stood at 17.67% compared to the benchmark return of 16.29%.

AKD Islamic Income Fund (AKDISIF)
For the 1HY25, the annualized return of AKD Islamic Income Fund stood at 18.17% compared to the benchmark return of 9.99%.

AKD Aggressive Income Fund (AKDAIF)
For the 1HFY25, the annualized return of AKD Aggressive Income Fund stood at 18.13% compared to the benchmark return of 15.53%.

AKD Islamic Daily Dividend Fund (AKDIDDF)
For the 1HFY25, the annualized return of AKD Islamic Daily Dividend Fund stood at 17.13% compared to the benchmark return of 9.58%.

Distribution for the first half ended December 31, 2024:

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs. 4.14 per unit to the unit holders during the first half ended December 31, 2024.

MACRO PERSPECTIVE

As we approach the midpoint of FY25, Pakistan's economic trajectory appears increasingly positive. Declining inflation and encouraging export figures suggest that the government's policy initiatives, in conjunction with the ongoing IMF program, are beginning to bear fruit. While acknowledging the persistent challenges, the overall economic direction is promising. GDP growth, however, remains subdued, reflecting the lag effect of previous monetary policy decisions. The impact of recent interest rate reductions has yet to fully permeate the economy. It is anticipated that the time lag between Monetary Policy Committee (MPC) decisions and their tangible impact on economic activity will shorten, allowing the positive effects of the current monetary easing cycle to more rapidly stimulate growth. The economy, previously constrained by the high finance costs associated with the 22% interest rate regime, is now poised for expansion. This easing cycle is supported by the continued downward trend in inflation and the currently modest pace of GDP growth.

The Monetary Policy Committee in conveyed the MPS on December 16, 2024 in which they did a rate cut of 200 bps, bringing down the policy rate to 13%. This would mark the 5th consecutive rate cut by SBP since the start of interest rate reversal cycle in June 2024. This is primarily driven by a rapid decline in inflation which is approaching the medium-term average inflation target of 5-7%. Additionally, the SBP attributed this decline in inflation to the following factors: 1) a significant decline in food inflation, 2) favorable global oil prices, and 3) absence of adjustments in gas tariffs and PDL rates.

In December 2024, the National Consumer Price Index (NCPI) fell to 4.1% YoY amid relatively stable food, utility, and fuel prices, and decelerating core inflation. The average inflation rate for the first half of FY25 was 7.22%, a substantial decrease from the 28.8% recorded during the same period in FY24. Food inflation, which had surged over 27% last year, saw only a modest increase of 0.03% YoY in Dec-24. MoM inflation remained flattish, down by 0.1% MoM, primarily on the back of (i) a muted trend in the Food segment, (ii) a -1.1% MoM decrease in utilities segment due to a reduction in electricity charges, and (iii) a 0.7% MoM increase in Transport segment due to a rise in POL prices.

The impact of the previously imposed, Advances-to-Deposits Ratio (ADR) requirement on Pakistan's banking sector is clear. Driven by the now-rescinded 50% ADR target, private sector credit surged to Rs. 1.4 trillion in FY25 compared to Rs. 153 billion in the same period last fiscal year (FY24), an 815% increase year-on-year. This aggressive lending, reflected in an 8% loan portfolio expansion during November 2024 alone, pushed advances to Rs. 14.9 trillion (a 24% YoY rise). While the government later shifted to a higher corporate tax rate for banks instead of the ADR-related penalty, the initial target spurred significant credit growth, led by both conventional and Islamic banks.

On the external front, Pakistan's current account balance continues its positive trend, registering a surplus of USD 582 million in December 2024. Cumulatively, the 6MFY25 current account now boasts a surplus of USD 1.21 billion, a remarkable turnaround from the USD 1.397 billion deficit recorded during the same period last year. A closer look at the month-over-month changes reveals a 30% increase in the trade deficit, primarily driven by a normalization of imports, reaching USD 1.2 billion. This rise reflects a 10-20% MoM increase across various import categories, including food, machinery, and others. While imports increased, exports also saw positive movement, rising by 11% MoM, partially offsetting the import surge. Furthermore, workers' remittances demonstrated robust growth, posting a 29% YoY increase while maintaining a strong average of USD 3 billion per month. This positive momentum in remittances, coupled with the overall improvement in the current account balance, reflects growing confidence in the economy.

The remarkable turnaround in Pakistan's Current Account Balance, shifting from a deficit of USD 1.397 billion during the first half of FY24 to a surplus of USD 1.21 billion in the same period of FY25, can be largely attributed to a combination of factors. While a substantial rise in overseas workers' remittances and increased other current transfers played a significant role, the initial improvement stemmed significantly from a slowdown in imports. Total imports for the first quarter of FY25 reached USD 16.83 billion, reflecting a 12% *increase* compared to the same period last year. However, this increase only began to materialize in recent months, following a period of significantly suppressed import activity. This initial slowdown in imports, coupled with the marked increase in workers' remittances (which soared to USD 8.79 billion in 1QFY25, up 39% from USD 6.33 billion in the same quarter last year, supported by a stable exchange rate), contributed substantially to the positive shift in the CAD. Overall, this positive momentum in the external sector, driven by both the initial import slowdown and subsequent growth in trade and remittances, has enhanced the country's balance of payments and contributed to overall economic stability.

According to the data released by the SBP, the foreign exchange reserves held by the central bank stood at USD 11.71 billion by the end of 1HFY25, with the Country's liquid foreign exchange reserves reaching USD 16.41 billion. This marks a 17% increase since the beginning of the fiscal year. This surge can be primarily attributed to the disbursement of tranche under the IMF's EFF program and increase in remittances. This increase in reserves not only enhances the Country's ability to meet its external obligations but is also likely to strengthen investor confidence in Pakistan's economic prospects. Profit / dividend repatriation by foreigners has jumped 1.1xYoY during 5MFY25 to USD 1.1Bn. Further, USD continues to trade at PKR 278/USD. PKR's REER index jumped by 0.76%MoM to 103.7 in Dec'24. FDI inflows reached $1.33 billion during 1HFY25, up from $1.11 billion in the same period of FY24, marking a $221 million increase. During this period, total FDI inflows stood at $1.88 billion, significantly surpassing outflows of $554 million.

In a significant move, Saudi Arabia has rolled over USD 3Bn deposits with Pakistan for 1 year, aiming to support the country in meeting its external financing requirement. Further, Saudi Arabia announced additional investment of USD 600Mn in Pakistan (with 34 MoUs signed for different sectors), raising its total commitment to $2.8 billion. Moreover, the Government has decided to sell 15% of its stake (PKR 150Bn) in the Reko Diq project to Saudi Arabia under the Inter-Governmental Commercial Transactions Act.

Recent data indicates that the Large Scale Manufacturing Index (LSMI) fell 2.24%MoM in Oct'24, due to major decline from key sectors i.e. Furniture (64%), Machinery & Equipment (61%) and Fabricated Metal (25%). As a result, 4MFY25 LSMI was down 1%YoY. The production in July-October 2024-25 as compared to July-October 2023-24 has increased in Food, Tobacco, Textile, Wearing apparel, Coke & Petroleum Products, Automobiles and Other Transport Equipment while it decreased in Rubber Products, Non Metallic Mineral Products, Electrical Equipment, Machinery and Equipment, Iron & Steel Products, and Furniture.

EQUITY MARKET REVIEW

In 1HFY25, the equity market gained 36,595 points for a return of 46.6%, with the benchmark KSE-100 Index closing at 115,126.9 points. During the month of December 2024, the KSE-100 index witnessed historic high level momentum peaking at 117,039 points. Improving macroeconomic indicators under the new IMF program, i.e. falling inflation, falling yields on fixed income, aggressive monetary easing of 900 bps by the central bank improved external accounts, stable currency, and political stability, drove the strong performance of market in HFY24. As per Bloomberg data, Pakistan's KSE-100 Index was among the second best-performing markets in US dollar and local currency after Argentina in 2024.

The external account also showed notable improvement, featuring a current account surplus of USD 729Mn in 5MFY25 - driven by robust remittances i.e. up 34% as compared to 5MFY24 and growing exports i.e. up 13%YoY, alongside workers' remittances and exports were up 34%YoY and 13%YoY, respectively. Negotiations with IPPs will save up to PKR 1.1Trn for the Government. This stability, coupled with a stable exchange rate has positively influenced market sentiment.

In FIPI, highest contribution was from the Overseas Pakistanis segment with outflows of USD 183mn in 1HFY25 by Dec 31, 2024, from USD 4.89mn in HFY24, a YoY growth of 36%. Notable foreign selling was observed in the Commercial Banks (USD 60.51 million), followed by Fertilizers (USD 56.62 million), Oil and Gas Exploration Companies (USD 41.3 million), Food and Personal Care Products (USD 23.43 million), Power Generation and Distribution (USD 15.95 million), and Oil and Gas Marketing Companies (USD 14.22 million). Conversely, domestic investors, including Mutual Funds, Companies, and Individuals, were net buyers, with net purchases of USD 182.72 million, USD 26.69 million, and USD 26.34 million respectively. However, other domestic participants, such as Banks/DFI, Other Organizations, Brokers, and Insurance Companies, were major net sellers, with respective divestments of USD 20.68 million, USD 17.24 million, USD 5.82 million, and USD 4.83 million.

In terms of local sector performance, the top gainers during the period included Commercial Banks (+32.40%), Fertilizer (+30.32%), Oil and Gas Exploration Companies (+22.12%), Food and Personal care products (+12.54%), and Power Generation and Distribution (+8.54%). In contrast, sectors that experienced declines were Technology (-13.03%), Textile Composite (-1.59%), and All other sectors (-1.33%).

The equity market outlook necessitates a cautious approach, given the prevailing economic and political uncertainties. While pockets of opportunity exist, a balanced perspective is essential. Macroeconomic conditions, though showing signs of stabilization, require continuous monitoring. Stock valuations, while currently attractive, should be evaluated in the context of potential risks. Corporate earnings, while generally positive, are not immune to inflationary pressures and exchange rate volatility. Political dynamics remain a key source of uncertainty, potentially impacting market sentiment. Furthermore, the looming threat of tariffs from the USA, Pakistan's largest export destination, adds another layer of complexity. Such tariffs could have unforeseen and potentially significant repercussions for the Pakistani economy, impacting export revenues, business confidence, and investment flows.

FIXED INCOME REVIEW

Since the SBP has started lowering policy rate in June 2024, the yields on government securities have seen a substantial reduction in both primary and secondary markets. This environment has generated heightened interest from both domestic and foreign investors seeking attractive returns on government debt securities, despite the allure of a robust equity market.

During the period, SBP conducted a total of thirteen (25) Market Treasury Bills (MTB) auctions, where the Government managed to raise PKR 13.209 trillion against the auction target of PKR 13.508 trillion. Notably, the weighted average yields for 3, 6, and 12-month MTB were 14.30%, 14.61%, and 14.14% respectively, significantly down by 663 bps, 597 bps, and 582 bps as compared to 20.93%, 20.58%, and 19.95% during the same period last year.

To further address the need for liquidity, SBP also conducted three (21) auctions of fixed-rate Pakistan Investment Bonds (PIB) and was successful in raising PKR 8.159 trillion. The weighted average yield for 3 and 5 years PIB decreased by 345 bps and 9 bps to 15.88% and 15.10%, respectively, as compared to 19.33% and 15.19% during the same period last year. Whereas, weighted average yield for 10 year PIB increased by 89 bps to 14.11% as compared to 13.22% in the same period last year.

In the market for Shariah Compliant instruments, a total of three (6) 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 400.50 billion, against the target of PKR 500 billion.

Looking ahead to the auction target calendars for January through March 2025, the State Bank of Pakistan aims to raise PKR 2.20 trillion by issuing 3 to 12-month MTB against the maturing amount of PKR 3.446 trillion. Additionally, the SBP targets to raise PKR 1.050 billion through 2 to 15-year fixed-rate PIB whereas, PKR 2.000 trillion is targeted to be raised through 2 to 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 425 billion in the one upcoming auction during January 2025.

FUTURE OUTLOOK

The successful negotiation of external financial support marked a turning point, but the subsequent economic landscape has presented new dynamics. While initial credit rating upgrades reflected optimism, recent developments require a reassessment. Challenges persist, notably headwinds include weak momentum, especially in manufacturing, low consumer confidence, and the persistence of a negative energy price shock which can explain the lower expectation of GDP growth by IMF to 3% instead of 3.4%. The focus has now shifted to stimulating the economy as reflected by monetary easing stance of SBP and M2 hitting Rs. 34.9 trillion and Cash in Circulation reaching 9.4 trillion. Investors are closely monitoring these evolving circumstances, particularly the IMF review in mid of Feb 2025.

The Monetary Policy Committee embarked on a monetary easing stance in June 2024 and since then has reduced the policy rate by a substantial 900 bps to 13.0%, down from a historical high of 22%. This was in response to better than earlier anticipated decline in inflation which dropped to 4.1% YoY in December 2024, coming out of peak inflation (YoY 37.97% in May 2023) the trend is in decline and it is a very positive development and shows the progress of governments' austerity and economic reforms

This pace of disinflation can be attributed to the impact of contained demand, reinforced by improved supply chain for essential food items, ongoing fiscal and monetary consolidation efforts, favorable global commodity prices, delays in upward adjustments in administered energy prices, and a favorable base effect. While inflation is on a downward trend and is expected to continue this trajectory, it remains vulnerable to risks such as the timing and magnitude of future adjustments in administered energy prices, volatility in global commodity markets, and potential new taxation measures to address revenue shortfalls. The central bank projects that average inflation for FY25 will fall below the previously estimated range of 11.5% to 13.5%. However, this outlook is contingent upon achieving targeted fiscal consolidation and the timely realization of anticipated external inflows.

While potential inflows from a larger IMF program and other sources could bolster investor confidence, the current economic landscape presents a more nuanced picture. Actual GDP growth has significantly underperformed, registering a concerning 0.92%. This stark contrast casts a shadow over optimistic projections. Furthermore, fiscal pressures are mounting, as evidenced by the Federal Board of Revenue (FBR) missing its December 2024 target by a substantial PKR 386 billion. This shortfall raises concerns about meeting fiscal targets, especially with the crucial IMF review expected in mid-February 2025. The significant revenue shortfall and the much lower-than-projected GDP growth pose substantial downside risks. Coupled with lingering political uncertainty, these factors create a challenging environment and could significantly impact market performance. The path ahead requires careful navigation to address these pressing fiscal and growth concerns.

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
YPay Financial Services (Pvt.) Ltd.

Rating-AKDISIF
PACRA: AA-(f)

DIGITAL CUSTODIAN COMPANY

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REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

AKD ISLAMIC INCOME FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

AKD Islamic Income Fund, an open-end Scheme established under a Trust Deed dated August 30, 2017 executed between AKD Investment Management Limited, as the Management Company and Digital Custodian Company Limited, as the Trustee. The Fund commenced its operations on February 21, 2018.

1. AKD Investment Management Limited, the Management Company of AKD Islamic Income Fund has, in all material respects, managed AKD Islamic Income Fund during the period ended December 31st, 2024 in accordance with the provisions of the following:

    (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;

    (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;

    (iii) the creation and cancellation of units are carried out in accordance with the deed;

    (iv) and any regulatory requirement.

2. Statement on the shortcoming(s) that may have impact on the decision of the existing or the potential unit holders remaining or investing in the Collective Investment Scheme;

    Statement
    No short coming has been addressed during the period ended December 31st, 2024.

D.K

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3. Disclosure of the steps taken to address the shortcoming(s) or to prevent the recurrence of the shortcoming(s).

Disclosure of the steps

We have critically examine the fund in accordance with circulars, directives, NBFC Regulations 2008 and its constitutive documents. However, no short coming has been addressed.

4 Trustee's opinion regarding the calculation of the management fee, CIS Monthly Fee Payable to the Commission and other expenses in accordance with the applicable regulatory framework.

Trustee Opinion

"The Management fee, CIS monthly fee payable to the Commission and other expenses has been accurately calculated in accordance with the NBFC Regulations, 2008 and its constitutive documents".

D.Kh

Dabeer Khan
Manager Compliance
Digital Custodian Company Limited

Karachi: February 28, 2025

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Riaz Ahmad & Company
Chartered Accountants

AKD INVESTMENT MANAGEMENT LIMITED
AKD ISLAMIC INCOME FUND

CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX-MONTHS PERIOD ENDED
31 DECEMBER 2024

A member of
Nexia
International

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of AKD Islamic Income Fund

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of AKD Islamic Income Fund (the Fund) as at 31 December 2024, and the related condensed interim income statement, condensed interim statement of comprehensive income, and condensed interim cash flow statement, condensed interim statement of movement in unit holders' fund and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as "condensed interim financial statements"). The Management Company (AKD Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim statement of cash flows for the three-months period ended 31 December 2024 and 31 December 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended 31 December 2024.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at and for the six-months period ended 31 December 2024 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review engagement resulting in this independent auditor's review report is Junaid Ashraf.

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 05 MARCH 2025
UDIN: RR202410045VoDLMAt6p

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AKD ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2024

	Note	(Unaudited) 31 December 2024	(Audited) 30 June 2024
		---------- (Rupees in 000) ---------	
ASSETS			
Bank balances	5	**403,896**	701,259
Investments	6	**1,164,895**	999,167
Profit receivable	8	**21,910**	30,500
Deposits, prepayments and other receivables	9	**12,389**	12,514
Receivable against sale / conversion of units		**12,137**	-
Total assets		**1,615,227**	1,743,440
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	10	**1,919**	1,816
Payable to the Digital Custodian Company Limited -Trustee	11	**363**	142
Payable to Securities and Exchange Commission of Pakistan	12	**104**	94
Accrued expenses and other liabilities	13	**5,631**	25,148
Dividend payable		**144**	2,783
Payable against redemption / conversion of units		**9,230**	5,843
Total liabilities		**17,391**	35,826
NET ASSETS		**1,597,836**	1,707,614
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**1,597,836**	1,707,614
CONTINGENCIES AND COMMITMENTS	14		
		------ (Number of units) ------	
NUMBER OF UNITS IN ISSUE		**28,500,526**	33,251,448
		-------- (Rupees) ---------	
NET ASSET VALUE PER UNIT		**56.0634**	51.3546

The annexed notes from 1 to 20 form an integral part of this 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 (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2024

	Note	Six Months Period Ended 31 December 2024	Six Months Period Ended 31 December 2023	Three Months Period Ended 31 December 2024	Three Months Period Ended 31 December 2023
		---------------- (Rupees in 000)		--------------	
INCOME					
Capital gain on sale of investments classified as 'at fair value through profit or loss'		**3,009**	5,301	**459**	2,161
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	7	**20,486**	(6,468)	**15,609**	(5,766)
Income from sukuk certificates and GoP Ijara		**76,794**	39,389	**34,669**	18,944
Amortization of discount on Commercial papers		**24,131**	51,580	**14,516**	19,189
Dividend income		**12,554**	-	**9,540**	-
Profit on bank deposits		**22,321**	70,294	**5,365**	42,217
Total income		**159,295**	160,096	**80,158**	76,745
EXPENSES					
Remuneration of the AKD Investment Management Limited - Management Company	10.1	**6,476**	3,954	**3,543**	2,012
Sindh sales tax on remuneration of the Management Company	10.2	**936**	514	**531**	262
Expenses allocated by Management Company	10.3	**1,984**	3,163	**886**	1,609
Remuneration of Digital Custodian Company Limited - Trustee	11.1	**1,021**	790	**531**	399
Sindh sales tax on the remuneration of trustee	11.2	**152**	103	**80**	52
Annual fee to the Securities and Exchange Commission of Pakistan	12.1	**638**	593	**332**	302
Auditor's remuneration		**127**	126	**63**	63
Settlement and bank charges		**34**	69	**34**	33
Brokerage fee		**232**	262	**80**	188
Fee and subscription		**336**	479	**287**	287
Legal and professional charges		**110**	108	**54**	13
Charity		**1,533**	-	**1,433**	-
Total expenses		**13,579**	10,161	**7,854**	5,220
Net income for the period before taxation		**145,716**	149,935	**72,304**	71,525
Taxation	16	-	-	-	-
Net income for the period after taxation		**145,716**	149,935	**72,304**	71,525
Allocation of net income for the period					
Net income for the period after taxation		**145,716**	149,935	**72,304**	71,525
Income already paid on units redeemed		**(43,143)**	(39,636)	**(31,562)**	(8,824)
		102,573	110,299	**40,742**	62,701
Accounting income available for distribution					
Relating to capital gains		**23,495**	-	**16,068**	-
Excluding capital gains		**79,078**	110,299	**24,674**	62,701
		102,573	110,299	**40,742**	62,701

The annexed notes from 1 to 20 form an integral part of this 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 (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2024

	Six Months Period Ended 31 December		Three Months Period Ended 31 December	
	2024	2023	2024	2023
	---------------- (Rupees in '000) ---------------			
Net income for the period after taxation	**145,716**	149,935	**72,304**	71,525
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**145,716**	149,935	**72,304**	71,525

The annexed notes from 1 to 20 form an integral part of this 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 (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2024

	Note	Six Months Period Ended 31 December		Three Months Period Ended 31 December	
		2024	2023	2024	2023
		(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation		**145,716**	149,935	**72,302**	71,525
Adjustments for non cash and other items:					
Dividend income		**(12,554)**	-	**(12,554)**	-
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'at fair value through profit or loss'		**(20,486)**	2,988	**(15,609)**	2,286
		112,676	152,923	**44,139**	73,811
(Increase) / decrease in assets					
Profit and dividend receivable		**8,590**	(16,417)	**77,116**	(6,188)
Deposits, prepayments and other receivables		**125**	2,969	**26,278**	(27,296)
Receivable against sale of investments		**-**	(80,987)	**-**	(88,242)
Receivable against sale / conversion of units		**(12,137)**	(18,773)	**69,735**	(45,401)
Net (increase) / decrease in assets during the period		**(3,422)**	(113,208)	**173,129**	(167,127)
(Decrease) / increase in liabilities					
Payable to AKD Investment Management Limited - Management Company		**103**	300	**(2,055)**	128
Payable to the Digital Custodian Company Limited -Trustee		**221**	1	**(394)**	2
Payable to Securities and Exchange Commission of Pakistan		**10**	(31)	**(292)**	99
Accrued expenses and other liabilities		**(19,517)**	(14,134)	**(8,440)**	5,057
Payable against purchase of securities		**-**	49,059	**-**	-
Dividend payable		**(2,639)**	-	**(403,756)**	49,059
Payable against redemption / conversion of units		**3,387**	9,716	**(2,471)**	2,186
Net (decrease) / increase in liabilities		**(18,435)**	44,911	**(417,408)**	56,531
Investment - net		**(145,242)**	115,363	**(54,558)**	(17,983)
Net cash flows (used in) / generated from operating activities		**(54,423)**	199,989	**(254,698)**	(54,768)
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		**1,441,970**	1,273,279	**773,820**	570,918
Dividend paid		**12,554**	(1,921)	**12,554**	-
Payment against redemption of units		**(1,697,464)**	(1,099,526)	**(1,089,596)**	(617,997)
Net cash (used in) / generated from financing activities		**(242,940)**	171,832	**(303,222)**	(47,079)
Net increase / (decrease) in cash and cash equivalents		**(297,363)**	371,821	**(557,920)**	(101,847)
Cash and cash equivalents at beginning of the period		**701,259**	267,958	**961,816**	741,626
Cash and cash equivalents at end of the period	5	**403,896**	639,779	**403,896**	639,779

The annexed notes from 1 to 20 form an integral part of this 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 UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2024

	Six Months Period Ended 31 December 2024			Six Months Period Ended 31 December 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------------ (Rupees in '000) ------------					
Net assets at beginning of the period	**1,685,212**	**22,402**	**1,707,614**	1,296,661	12,270	1,308,931
Issue of 26,500,524 (2023: 23,915,066) units						
- Capital value (at ex-net asset value per unit at the beginning of period)	**1,360,926**	**-**	**1,360,926**	1,215,333	-	1,215,333
- Element of income	**81,044**	**-**	**81,044**	57,946	-	57,946
Total proceeds on issuance of units	**1,441,970**	**-**	**1,441,970**	1,273,279	-	1,273,279
Redemption of 31,251,446 (2023: 20,456,063) units						
- Capital value (at ex-net asset value per unit at the beginning of period)	**(1,604,906)**	**-**	**(1,604,906)**	(1,039,550)	-	(1,039,550)
- Element of loss	**(49,415)**	**(43,143)**	**(92,558)**	(20,340)	(39,636)	(59,976)
Total payments on redemption of units	**(1,654,321)**	**(43,143)**	**(1,697,464)**	(1,059,890)	(39,636)	(1,099,526)
Total comprehensive income for the period	**-**	**145,716**	**145,716**	-	149,935	149,935
Distribution during the period	**-**	**-**	**-**	-	(1,921)	(1,921)
	-	**145,716**	**145,716**	-	148,014	148,014
Net assets at end of the period	**1,472,861**	**124,975**	**1,597,836**	1,510,050	120,648	1,630,698
Undistributed income brought forward						
- Realised income		**29,569**			11,463	
- Unrealised (loss) / Income		**(7,167)**			807	
		22,402			12,270	
Accounting income available for distribution						
- Relating to capital gains		**23,495**			-	
- Excluding capital gains		**79,078**			110,299	
Net profit for the period		**102,573**			110,299	
Distribution during the period		**-**			(1,921)	
Undistributed income carried forward		**124,975**			120,648	
Undistributed income carried forward						
- Realised income		**104,489**			127,116	
- Unrealised gain		**20,486**			(6,468)	
		124,975			120,648	
Net assets value per unit at beginning of the period		**51.3546**			50.8934	
Net assets value per unit at end of the period		**56.0634**			51.3546	

The annexed notes from 1 to 20 form an integral part of this 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 (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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 Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on 30 May 2017. The Initial Public Offering (IPO) of the Fund was made during the period 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 period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e. 19 February 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 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.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of 'AM3++' to the Management Company dated 27 June 2024. The Fund has been given performance ranking of 'AA-(f)' by PACRA on 09 September 2024.

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. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial statements has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (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, 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 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 differ from the 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 the requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial statements have, however, been limited based on the requirements of the IAS-34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended 30 June 2024.

2.1.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at 31 December 2024.

2.2 Basis of measurement

This financial statements has been prepared under the historical cost convention, except that investments, other than commercial papers, are measured at fair value.

2.3 Functional and presentation currency

This condensed interim financial statements are presented in Pakistani Rupees which is the functional and presentation currency of the Fund and has been rounded off to the nearest thousand rupees, unless otherwise specified.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 The accounting policies and methods of computation adopted in preparation of this condensed interim financial statements are same as those applied in preparation of audited financial statements of the Fund as at and for the year ended 30 June 2024.

4 RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

4.1 The preparation of this condensed interim financial statements in conformity with accounting and reporting standards and requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended 30 June 2024.

4.2 There are certain amended existing standards and interpretations on accounting and reporting standards that are effective during the period but are considered not to be relevant to the Fund's operations and do not have any significant impact on the Fund's operations and therefore not disclosed in this condensed interim financial statements.

4.3 The Fund's risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended 30 June 2024.

	Note	(Unaudited) 31 December 2024	(Audited) 30 June 2024
5. BANK BALANCES		------ (Rupees in '000) ------	
Savings accounts	5.1	**403,896**	701,259

5.1 Savings accounts carry mark-up ranging between 3.00% to 9.71% (30 June 2024: 9% to 18.6%) per annum.

6. INVESTMENTS

	Note	(Unaudited) 31 December 2024	(Audited) 30 June 2024
At fair value through profit or loss			
- Sukuk certificates	6.1	**375,819**	438,504
- Government securities	6.2	**764,076**	333,663
		1,139,895	772,167
At amortised cost			
- Commercial paper - unlisted / short term sukuk (STS)	6.3	**25,000**	227,000
		1,164,895	**999,167**

V

6.1 Sukuk certificates

Name of investee company	Rate of return per annum	As at 01 July 2024	Purchased during the year	Sold / Matured during the year	As at 31 December 2024	Carrying value as at 31 December 2024	Market value as at 31 December 2024	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)			%	
Listed										
TPL Trakker Limited	19.84%	115	-	-	115	32,810	32,377	(433)	2.03%	2.78%
TPL Corporation Limited	18.70%	1,150	-	-	1,150	88,933	95,833	6,900	6.00%	8.23%
Unlisted										
Mughal Iron & Steels Industries Limited	18.38%	10	-	-	10	3,154	3,134	(20)	0.20%	0.27%
Mughal Iron & Steels Industries Limited	18.70%	200	-	-	200	200,000	200,000	-	12.52%	17.17%
Pakistan International Airlines Corporation Limited	18.75%	10,000	380	-	10,380	42,710	44,476	1,766	2.78%	3.82%
			Total as at 31 December 2024			**367,607**	**375,819**	**8,213**		
			Total as at 30 June 2024			**446,307**	**438,504**	**(7,803)**		

6.1.1 Significant terms and conditions of sukuk certificates are as follows:

Name of investee company	Face value per certificate	Redeemed face value per certificate	Markup rate	Issue date	Maturity date	Secured / Unsecured	Rating
	(Rupees)						
Listed							
TPL Trakker Limited	1,000,000	277,778	3 months KIBOR + 300 bps	30-Mar-21	30-Mar-26	Secured	A+
TPL Corporation Limited	100,000	83,333	3 months KIBOR + 225 bps	23-Jun-22	23-Jun-27	Secured	AA-
Unlisted							
Mughal Iron & Steels Industries Limited	1,000,000	312,500	3 months KIBOR + 130 bps	2-Mar-21	2-Mar-26	Secured	A+
Hub Power Holdings Limited	100,000	75,000	6 months KIBOR + 250 bps	12-Nov-20	12-Nov-25	Secured	AA+
Mughal Iron & Steel Industries Limited	1,000,000	1,000,000	3 months KIBOR + 1.45%	27-Dec-23	27-Mar-25	Secured	A+
Pakistan International Airlines Corporation Limited	9,115	4,115	1 months KIBOR + 100 bps	26-Jul-21	26-Jul-31	GoP Guaranteed	GoP Guaranteed

6.2

Name of Investee Company	Rate of return per annum	As at 01 July 2024	Purchased during the year	Sold / Matured during the year	As at 31 December 2024	Carrying value as at 31 December 2024	Market value as at 31 December 2024	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	--- % ---	Face Value Rupees in '000				(Rupees in '000)			%	
GOP Ijara Sukuk	8.79% to 22.49%	376,975	571,000	263,405	684,570	751,802	764,076	12,274	47.82%	65.59%
			Total as at 31 December 2024			**751,802**	**764,076**	**12,274**		
			Total as at 30 June 2024			**333,027**	**333,663**	**636**		

6.2.1 Significant terms and conditions of GoP Ijarah Sukuks held as at 31 December 2024:

Name of Investee Company	Security Symbol	Issue Date	Maturity Date
GOP Ijara Sukuk	P05VRR280629	28/Jun/2024	28/Jun/2029
	P03FRR211027	21/Oct/2024	21/Oct/2027
	P03VRR240127	24/Jan/2024	24/Jan/2027
	P03VRR280627	28/Jun/2024	28/Jun/2027
	P05FRR211029	21/Oct/2024	21/Oct/2029
	P05VRR100529	10/May/2024	10/May/2029
	P01GIS090525	9/May/2024	9/May/2025
	P01GIS220125	24/Jan/2024	22/Jan/2025
	P01GIS270625	28/Jun/2024	27/Jun/2025
	P01GIS230525	24/May/2024	23/May/2025
	P01GIS201025	21/Oct/2024	21/Oct/2025
	P01GIS150825	16/Aug/2024	15/Aug/2025
	P01GIS061125	7/Nov/2024	6/Nov/2025

Listed equity securities (spread transactions)

Name of investee company	As at 01 July 2024	Purchased during the year	Sold / disposed	As at 31 December 2024	Market Value
	---------------- Number of shares ----------------				(Rupees'000')
Technology & Communication					
Air Link Communication Limited	-	753,500	753,500	-	-
Refinery					
Attock Refinery Limited	-	336,500	336,500	-	-
Cement					
Fauji Cement Company Limited	-	596,000	596,000	-	-
Oil & Gas Exploration Companies					
Pakistan Petroleum Limited	-	13,000	13,000	-	-
Oil & Gas Marketing Companies					
Pakistan State Oil Company Limited	-	470,500	470,500	-	-
Total as at 31 December 2024					-
Total as at 30 June 2024					-

6.3 Commercial paper - Unlisted / short term sukuk (STS)

Name of investee company	Note	As at 01 July 2024	Purchased during the year	Matured/ disposed during the year	As at 31 December 2024	Market value	Unrealised appreciation /(diminution)	Market value as percentage of net assets	Market value as percentage of total investment
								--------------- (%) ---------------	
K-Electric Limited		145,000	-	145,000	-	-	-	0.00%	0.00%
K-Electric Limited		70,000	-	70,000	-	-	-	0.00%	0.00%
K-Electric Limited		12,000	-	12,000	-	-	-	0.00%	0.00%
K-Electric Limited	**6.3.1**	-	25,000	-	25,000	25,000	-	0.02%	0.02%
Total as at 31 December 2024					**25,000**	**25,000**			
Total as at 30 June 2024					**227,000**	**227,000**			

6.3.1

Name of investee company	Rating	Tenure	Profit payments / principal redemptions	Issue date	Maturity date	Rate of Return
K-Electric Limited	A1+	6 Months	On Maturity	5-Jul-24	5-Jan-25	6 Month KIBOR + 10 bps

		Note	(Unaudited) 31 December 2024	(Audited) 30 June 2024
			----- (Rupees in '000) -----	
7	**Net unrealised (diminution) /appreciation on re-measurement of investments classified as 'at fair value through profit or loss'**			
	Market value of investments			
	- Sukuk certificates	6.1	**375,819**	438,504
	- Government securities	6.2	**764,076**	333,663
			1,139,895	772,167
	Less: Carrying amount of investments			
	- Sukuk certificates	6.1	**367,607**	446,307
	- Government securities	6.2	**751,802**	333,027
			(1,119,409)	(779,334)
			20,486	(7,167)

8. PROFIT RECEIVABLE

Profit receivable on:			
- Sukuk certificates		**3,377**	2,442
- Commercial paper / Short Term Sukuks (STS)		**7,033**	14,475
- GoP Ijara sukuk		**9,040**	1,576
- Bank deposits		**2,460**	12,007
		21,910	30,500

9. 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	9.1	**9,025**	9,025
Prepaid shariah advisor fee		**64**	295
Prepaid listing fee		**16**	-
Prepaid rating fee		**90**	-
Advance tax		**594**	594
		12,389	12,514

9.1 Spread transactions are subect to deposit of exposure margin as per regulation 12.5 of NCCPL Regulations.

9.2 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, uptill period ended 31 December 2020, withholding tax on profit on debt and dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) /2008-VOL.II - 66417- R dated 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 presented before him by the withholder.

10. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee	10.1	**1,112**	626
Sindh sales tax on management fee	10.2	**167**	81
Expenses allocated by the management company	10.3	**278**	501
Formation cost		**184**	184
Sales load payable		**178**	424
		1,919	1,816

10.1 The Management Company charged remuneration at the rate of 0.8% (30 June 2024: 0.5%) per annum of the daily average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

10.2 Sindh sales tax at the rate of 15% (30 June 2024: 13%) on gross value of management fee is charged under the provisions of Sindh sales tax on Services Act, 2011.

10.3 The Management Company has charged expenses at the rate of 0.2% (30 June 2024: 0.4%) per annum of the daily average annual net assets of the Fund.

11. PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE		**(Unaudited) 31 December 2024**	**(Audited) 30 June 2024**
		----- (Rupees in '000) -----	
Trustee fee	11.1	**137**	126
Sindh sales tax on trustee fee	11.2	**226**	16
		363	142

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

The tariff structure applicable to the Fund is as follows:

Net Assets	**Tariff per annum**
Upto Rs 1 billion	0.12% of Net Assets
Exceeding Rs 1 billion and up to Rs.5 billion	Rs. 1.2 million plus 0.065% per annum of daily average net assets of the Fund exceeding Rs. 1 billion.

11.2 Sindh sales tax at the rate of 15% (30 June 2024: 13%) on gross value of management fee under the provisions of Sindh sales tax on Services Act, 2011.

12. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN- SECP

Annual fee payable to SECP	12.1	**104**	94

12.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, all Collective Investment Schemes are required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075% (30 June 2024: 0.075%) of the average annual net assets of the scheme.

13. ACCRUED AND OTHER LIABLITIES	**Note**	**(Unaudited) 31 December 2024**	**(Audited) 30 June 2024**
		----- (Rupees in '000) -----	
Auditor's remuneration		**180**	282
Brokerage payable		**1,039**	501
NCC fee payable		**63**	63
Withholding tax payable		**1,625**	23,258
Others		**172**	25
Sales load payable		**40**	40
Charity payable	13.1	**2,025**	492
Payable against time barred cheques		**487**	487
		5,631	25,148

13.1 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 year.

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2024 (30 June 2024: Nil).

15. TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund is 0.77% (annualised) (30 June 2024: 1.30%) which includes 0.11% (30 June 2024: 0.15%) representing government levies on the Fund such as sales tax, annual fees to SECP etc. This ratio is within the maximum limit of 2.5% (30 June 2024: 2.5%) prescribed under NBFC Regulations of collective investment scheme categorised as a "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 amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders in cash. Since the management intends to distribute the income earned by the Fund during the period to the unit holders in cash in the manner as explained above, accordingly, no provision for taxation has been made in this condensed interim financial statement. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

17. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

17.1 Transactions during the period	Note	(Unaudited) 31 December 2024	2023
		------ (Rupees in '000) ------	
AKD Investment Management Limited - Management Company			
Remuneration to Management Company		**6,476**	3,954
Sindh sales tax on Management remuneration		**936**	514
Expenses allocated by the Management Company		**1,984**	3,163
Sales load		-	135
Issue of Nil units (31 December 2023: 51,182 units)		-	2,680
Redemption of Nil Units (31 December 2023: 51,924 units)		-	2,728
Digital Custodian Company Limited - Trustee			
Trustee fee		**1,021**	790
Sindh sales tax on trustee fee		**152**	103

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Transactions during the period	Note	(Unaudited) 31 December 2024	2023
		------ (Rupees in '000) ------	
M3 Technologies Pakistan Private Limited Employees Provident Fund - Common Directorship			
Issue of Nil units (31 December 2023: 271 units)		-	14
Dividend paid		-	16
Issue of 40,110 Units (31 December 2023: 1 unit)		**2**	1
Redemption of 28,311 Units (31 December 2023: Nil units)		**2**	65
Chief Executive Officer of the Management Company			
Issue of 13,316 Units (31 December 2023: 79,750 units)		**725**	4,257
Redemption of 11,192 Units (31 December 2023: 79,750 units)		**623**	4,289
Toqir Hussain - Key Management Personnel of Associated Company			
Issue of 173 (31 December 2023: Nil units)		**9**	-
Spouse of the Chief Executive Officer of the Management Company			
Issue of 222 Units(31 December 2023: 320,195 units)		**11**	16,989
Redemption of Nil (31 December 2023: 281,447 units)		**11**	15,134
Spouse of the Director and Chief Investment Officer of the Management Company			
Issue of 92,559 Units (31 December 2023: 1 unit)		**4,850**	1
Redemption of 222 Units (31 December 2023: Nil units)		**3,127**	-
Director and Chief Investment Officer of the Management Company			
Issue of Nil (31 December 2023: 1 unit)		-	1
Ali Wahab Siddiqui - Director of the Management Company			
Issue of Nil Units (31 December 2023: 179,030 units)		-	9,513
Dividend Paid		-	15
Redemption of Nil Units (31 December 2023: 95,530 units)		-	5,000
Hasan Ahmed - Director of the Management Company			
Issue of Nil Units (31 December 2023: 1 unit)		-	1
Hina Aqeel - Close relative of the Sponsor of the Management Company			
Issue of Nil Units (31 December 2023: 354 units)		-	18
Redemption of 412 Units (31 December 2023: Nil units)		**23**	-
Afsheen Aqeel Dhedhi - Close relative of the Sponsor of the Management Company			
Issue of Nil (31 December 2023: 1 unit)		-	1
Khalid Mahmood - Director of the Management Company			
Issue of 504,937 Units (31 December 2023: 1 unit)		**28,096**	-
Redemption of 243,915 Units (31 December 2023: 108,257 units)		**13,525**	5,953

Transactions during the period	Note	(Unaudited) 31 December 2024	2023
		------ (Rupees in '000) ------	
Close relative of Director of the Management Company			
Issue of 81,343 Units (31 December 2023: 1 unit)		**8,416**	
Redemption of 78,315 Units (31 December 2023: 32,522 units)		**4,055**	1,788
Muhammad Farid Alam - Key Management Personnel of Associated Company			
Issue of Nil (31 December 2023: 555 units)		**-**	30
Askari General Insurance Co Limited - Connected person due to holding of more than 10% units.			
Issue of 5,720,377 Units (31 December 2023: Nil units)		**5,720**	-
Redemption of 3,393,385 Units (31 December 2023: Nil units)		**109,000**	-
Lubna Najmul Hussain Dossa - Connected person due to holding of more than 10% units.			
Issue of 3,099,312 Units (31 December 2023: Nil units)		**7,195**	-
Pak Qatar Investment Account - Connected person due to holding of more than 10% units			
Redemption of Nil (31 December 2023: 2,857,415 units)		**-**	150,000
Dinaz Cassim - Connected person due to holding of more than 10% units.			
Issue of 167,460 Units (31 December 2023: 1 unit)		**8,895**	-
Redemption of 3,071,732 Units (31 December 2023: Nil units)		**155,000**	-

17.2 Balances outstanding at the period / year end

	Note	Unaudited 31 December 2024	Audited 30 June 2024
		------------- (Rupees in '000) -------------	
AKD Investment Management Limited - Management Company			
Remuneration payable		**1,112**	626
Sindh sales tax on Management remuneration		**167**	81
Payable against expenses allocated by the Management Company		**278**	501
Payable against formation cost		**184**	184
Sales load payable		**178**	424
Digital Custodian Company Limited - Trustee			
Remuneration payable		**137**	126
Sindh sales tax on trustee remuneration payable		**226**	16
AKD Securities Limited - Associated Company			
Brokerage fee		**232**	-
Director and Chief Investment Officer of the Management Company			
Units held 56 (30 June 2024: 55 units)		**3**	3
Company Secretary and Chief Operating Officer of the Management Company (with spouse and minor children)			
units held 11,835 (30 June 2024: 35 units)		**664**	2

Balances outstanding at the period / year end	Note	Unaudited 31 December 2024	Audited 30 June 2024
		------------- (Rupees in '000) -------------	
Spouse of the Director and Chief Investment Officer of the Management Company			
units held 36,251 (30 June 2024: 1,160 units)		**2,032**	60
Mr. Tariq Hussain - Head of IT of the Management Company			
Units held 1,858 (30 June 2024: 1,686 units)		**104**	87
Mr. Carrow Michael - Head of HR of the Management Company			
units held 1 (30 June 2024: 1 units)		**1**	1
Khalid Mehmood Chairperson of the Management Company			
Units held 261,175 (30 June 2024: 153 units)		**14,642**	8
Shifa Khalid Close Relative of Chairperson of the Management Company			
units held 78,315 (30 June 2024: 206 units)		**4,391**	11
Muhammad Farid Alam - Key Management Personnel of Associated Company			
units held 647 (30 June 2024: 647 units)		**-**	33
Toqir Hussain - Key Management Personnel of Associated Company			
units held 1,858 (30 June 2024: 1,686 units)		**-**	87
Ali Wahab Siddiqui- Key Management Personnel of Associated Company			
units held 337,454 (30 June 2024: 337,454 units)		**-**	17,330
Afsheen Aqeel Dhedhi- Key Management Personnel of Associated Company			
units held 42 (30 June 2024: 42 units)		**-**	2
AKD Securities Limited - Associated Company			
Brokerage payable		**178**	3
Hasan Ahmed - Director of the Management Company			
Units held 144 (30 June 2024: 144 units)		**8**	7
Ali Wahab Siddiqui - Director of Management Company			
Units held 337,454 (30 June 2024: 337,454 units)		**18,919**	17,384
Muhammad Farid Alam - Key Management Personnel of Associated Company			
Units held 647 (30 June 2024: 647 units)		**36**	33
Pak Qatar Investment Account - Connected person due to holding of more than 10% units			
Units held Nil (30 June 2024: 2,336,345 units)		**-**	120,354

Balances outstanding at the period / year end	Note	Unaudited 31 December 2024	Audited 30 June 2024
		------------- (Rupees in '000) -------------	
Pak Qatar Individual Family Participant Investment Fund - Connected Person Due to Holding Of more than 10% Units			
Units held Nil (30 June 2024: 69,272 units)		-	3,568
Durain Cassim - Connected person due to holding of more than 10% units**			
Units held (30 June 2023: 5,004,933 units)		-	257,824
* Prior period connected party			
** Current period connected party			
Afsheen Aqeel Dhedhi - Close relative of Sponsor of Management Company			
Units held 42 (30 June 2024: 42 units)		**2**	2
Hina Aqeel- Close relative of Sponsor of Management Company			
Units held Nil (30 June 2024: 412 units)		-	21
Yasmeen Dhedhi- Close relative of Sponsor of Management Company			
Units held 21,937 Units (30 June 2024: 21,937 units)		**1,230**	1,130
M3 Technologies Pakistan Private Limited Employees' Provident fund - Common Directorship			
Units held 258,738 (30 June 2024: 258,738 units)		**14,506**	13,329
Lubna Najmul Hussain Dossa - Connected person due to holding of more than 10% units**			
Units held 3,099,313 (30 June 2024: 5,963,864 units)		**173,758**	306,272.
Askari General Insurance Co Limited - Connected person due to holding of more than 10% units**			
Units held 4,118,688 (30 June 2024: Nil units)		**230,908**	-

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).

	Note	(Unaudited) As at 31 December 2024 Level 1	Level 2	Level 3	Total
		----------------------------(Rupees in '000)----------------------			
Investment in securities - at fair value through profit or loss					
Investments	**7**	**375,819**	**764,076**	**-**	**1,139,895**
		375,819	**764,076**	**-**	**1,139,895**

		(Audited) As at 30 June 2024 Level 1	Level 2	Level 3	Total
		----------------------------(Rupees in '000)----------------------			
Investment in securities - at fair value through profit or loss					
Investments	7	438,504	333,663	-	772,167
		438,504	333,663	-	772,167

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

19 GENERAL

19.1 This condensed interim financial statements is unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended 31 December 2024 and 31 December 2023 in this condensed interim financial statements, has not been subject to limited scope review by the auditors.

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

20. DATE OF AUTHORISATION FOR ISSUE

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

For AKD Investment Management Limited
(Management Company)

CHIED EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER