Quarterly Report
March 31, 2026
(Un-audited)

AKD
Islamic Income Fund

Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit form the Experience

AKD Investment Management Ltd.

CORPORATE INFORMATION

MANAGEMENT COMPANY
AKD Investment Management Limited
216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000.

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY
Chairman
Mr. Khalid Mehmood

Chief Executive Officer
Mr. Imran Motiwala

Director(s)
Ms. Anum Dhedhi
Ms. Aysha Ahmed
Mr. Ali Wahab Siddiqi
Mr. Hasan Ahmed
Mr. Abid Hussain

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY
Mr. Muzzamil Balagamwala, ACA

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)

RATING
AKD Investment Management Limited AM2 (AM Two) issued by PACRA

VISION

To serve investors in Pakistan's capital markets with diligence, integrity and professionalism, thereby delivering consistent superior returns and unparalleled customer service.

MISSION STATEMENT

- Keep primary focus on investing clients' interest
- Achieve highest standards of regulatory compliance and good governance
- Prioritize risk management while endeavouring to provide inflation adjusted returns on original investment
- Enable the investing public and clients to make AKDIML Funds a preferred part of their overall savings and investment management strategy
- Distinguish themselves and compete on the basis of unparalleled service quality while setting industry standards for professionalism, transparency and consistent leading performance
- Foster and encourage technical, professional, ethical development of human capital to provide our people the best opportunities and environment for their personal growth.

AKD Investment Management Ltd.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), Golden Arrow Stock Fund (GASF), AKD Index Tracker Fund (AKDITF), AKD Islamic Stock Fund (AKDISSF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), and AKD Islamic Cash Fund (AKDICF) (Formerly: AKD Islamic Daily Dividend Fund) is pleased to present its nine months report along with the funds' unaudited financial statements for the period ended March 31, 2026.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)
For the 9MFY26, the return of AKD Opportunity Fund stood at 6.66% compared to the benchmark KSE–100 Index return of 18.40%.

Golden Arrow Stock Fund (GASF)
For the 9MFY26, the return of Golden Arrow Stock Fund stood at 2.26% compared to the benchmark KSE–100 Index return of 18.40%.

AKD Islamic Stock Fund (AKDISSF)
For the 9MFY26, the return of AKD Islamic Stock Fund stood at 4.03% compared to the benchmark KMI–30 Index return of 16.87%.

AKD Index Tracker Fund (AKDITF)
For the 9MFY26, the return of AKD Index Tracker Fund stood at 17.90% compared to the benchmark KSE–100 Index return of 18.40%.

AKD Cash Fund (AKDCF)
For the 9MFY26, the annualized return of AKD Cash Fund stood at 10.00% compared to the benchmark return of 10.52%.

AKD Islamic Income Fund (AKDISIF)
For the 9MFY26, the annualized return of AKD Islamic Income Fund stood at 8.98% compared to the benchmark return of 9.35%.

AKD Aggressive Income Fund (AKDAIF)
For the 9MHFY26, the annualized return of AKD Aggressive Income Fund stood at 16.75% compared to the benchmark return of 11.05%.

AKD Islamic Cash Fund (AKDICF) - (Formerly: AKD Islamic Daily Dividend Fund)
For the 9MFY26, the annualized return of AKD Islamic Cash Fund (Formerly: AKD Islamic Daily Dividend Fund) stood at 11.22% compared to the benchmark return of 9.29%.

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MACROECONOMIC REVIEW

The first nine months of FY26 were characterized by a transition from post-stabilization recovery to a more externally constrained macroeconomic environment. While the economy initially benefited from improved macro discipline, easing inflation, and earlier policy rate cuts, the outlook shifted during 3QFY26 as rising geopolitical tensions in the Middle East and volatility in global commodity markets reintroduced inflationary pressures. Against this backdrop, the State Bank of Pakistan (SBP) maintained a cautious monetary stance, keeping the policy rate unchanged at 10.50% through its January and March 2026 meetings, contrary to market consensus effectively signaling a pause in the earlier easing cycle.

In its latest assessment, the Monetary Policy Committee (MPC) noted that recent data remained broadly aligned with earlier projections; however, the balance of risks to the macroeconomic outlook has tilted to the upside following continued escalation in Middle East tensions. The Committee highlighted rising global fuel prices, along with higher freight and insurance costs, as key transmission channels of external pressures. While Pakistan's macroeconomic fundamentals—particularly inflation dynamics and external buffers—remain materially stronger than during the onset of the Russia–Ukraine war, the evolving geopolitical environment has heightened uncertainty, with the magnitude and persistence of external shocks emerging as key determinants going forward.

Inflation dynamics emerged as the focal macroeconomic inflection point during the period. Headline CPI averaged at 5.67% during 9MFY26, remaining within the SBP's 5%–7% medium-term target range. However, YoY inflation rose to 7.30% in March 2026, as the disinflation trend began to lose momentum in the third quarter. This reversal was driven by the fading of favorable base effects in food and energy prices, along with upward adjustments in administered electricity charges. Elevated global oil prices imminently pose additional upside risks. Core inflation also firmed to around 7.4% YoY in March 2026, indicating underlying price stickiness. While improved food supply conditions and anchored inflation expectations may help contain second-round effects, the near-term outlook remains uncertain, with risks skewed to the upside.

Real economic activity remained resilient through 1HFY26, underpinned by a maturing industrial recovery and improving capacity utilization across key sectors. Provisional estimates indicate real GDP growth of 3.89% YoY in 2QFY26, compared to 3.63% YoY recorded in the first quarter of FY26, broadly consistent with the SBP's revised FY26 growth projection of 3.75%–4.75%. Nevertheless, emerging headwinds, including supply chain disruptions and elevated energy costs, pose risks to the durability of the recovery and may warrant reassessment of the growth outlook.

The Large-Scale Manufacturing Industries (LSMI) output recorded a contraction of 8.97% MoM, while posting a YoY expansion of 6.45% for February 2026. Whereas, overall LSM sector has indicated a growth of 5.89% during Jul–Feb FY26 when compared with the same period last year, reflecting a broadly recovery-led but uneven industrial trend. The main contributors towards the overall growth of 5.89% included the food industry (0.98%), tobacco (0.13%), textiles industry (0.27%), garments (1.18%), petroleum products (0.85%), cement (0.61%), electrical equipment (0.25%), automobiles (1.50%), other transport equipment (0.23%), and furniture (0.20%). In contrast, decline was recorded in the output of

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chemicals (-0.09%), pharmaceuticals (-0.30%), iron and steel products (-0.24%), and machinery and equipment (-0.06%).

Fiscal performance during 1HFY26 reflects the government's efforts to strengthen expenditure management and optimize resource mobilization. The fiscal balance posted a surplus of 0.4% of GDP (PKR 541.9 billion), compared to a deficit of 1.3% of GDP (PKR 1,537.9 billion) in the corresponding period last year. This turnaround was driven by a 9.5% increase in FBR tax collection to PKR 6,160.8 billion—supported by growth in both direct (8.9%) and indirect taxes (10.1%)—alongside a 7.0% rise in non-tax revenues to PKR 3,954.2 billion, aided by higher petroleum levies and a substantial SBP profit transfer of PKR 2,428.4 billion. Total expenditure declined by 10.3% to PKR 10,141.7 billion, primarily due to reduced current spending driven by a sharp drop in markup payments. As a result, the primary surplus strengthened to 3.2% of GDP (PKR 4,105.5 billion), reinforcing the credibility of the ongoing fiscal consolidation effort.

On the external front, the current account recorded a surplus of USD 1.07 billion in March 2026, bringing the cumulative position for 9MFY26 to a marginal surplus of USD 8 million, compared to a surplus of USD 1.67 billion in the corresponding period last year. Exports remained broadly stable at USD 30.61 billion, while imports increased by ~8% YoY to USD 56.29 billion, widening the trade deficit to USD 25.67 billion amid higher import demand linked to improving industrial activity. Workers' remittances remained a key stabilizer, rising 8% YoY to USD 30.32 billion during 9MFY26, underscoring the resilience of diaspora inflows. External buffers remained adequate, with SBP reserves exceeding USD 16 billion by end 9MFY26 with total liquid reserves at USD 21.33 billion, keeping the PKR broadly stable against the greenback.

Post-period, Pakistan continued to actively manage its external liabilities, including the repayment of its April 2026 Eurobond maturity (USD 1.3 billion). Moreover, the sovereign initiated the repayment of bilateral liabilities to the UAE (USD 3.5 billion), with a significant portion already retired and the remainder settled shortly thereafter. These outflows were largely offset through fresh and extended deposits from Saudi Arabia and Qatar. In parallel, Pakistan plans to broaden engagement with global investors through a diversified capital markets strategy, following its re-entry into international debt markets via a privately placed bond during the period between quarter-end and the writing of this report.

A key stabilizing factor during the period was continued engagement under Pakistan's IMF-supported reform framework. On March 27, 2026, the IMF reached a Staff-Level Agreement on the third review under the USD 7 billion Extended Fund Facility and the second review of the Resilience and Sustainability Facility, reflecting sustained confidence in the reforms. The agreement paved the way for combined disbursements of USD 1.2 billion. These inflows, alongside continued bilateral support, would further strengthened external buffers through improvement in the SBP's FX reserves.

In aggregate, the macroeconomic environment remains fundamentally stable but increasingly exposed to external volatility. While earlier stabilization gains are largely strong, the outlook is now more sensitive to global energy prices, geopolitical developments, and external financing conditions. Growth is recovering but uneven, inflation has re-emerged as a near-term risk, and external stability continues to rely on

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remittance inflows and bilateral / multilateral support. The economy is therefore entering a consolidation phase, where the durability of the recovery will be shaped less by domestic policy easing and more by external dynamics.

EQUITY MARKET REVIEW

Building on the robust momentum observed during 1HFY26, Pakistan's equity market extended its upward trajectory into the second half of the fiscal year, with a marked increase in volatility as external geopolitical developments began to exert a more profound influence on market sentiment. The KSE-100 Index, which closed at 174,054 points in 1HFY26 (up ~39%), continued to post gains during 3QFY26, reaching an intra-period all-time high of 191,033 points before entering a phase of heightened fluctuations. While domestic fundamentals—characterized by macroeconomic stabilization, improving corporate earnings, easing inflation, and a declining interest rate environment—remained broadly intact, escalating tensions in the Middle East introduced episodic risk-off sentiment, temporarily disrupting the market's otherwise constructive trend.

The outbreak of the US–Iran–Israel conflict emerged as the most significant external shock, primarily impacting global energy markets and, by extension, investor sentiment across regional bourses. Concerns over potential supply disruptions through the Strait of Hormuz—a maritime chokepoint for nearly one-fifth of global oil trade—triggered a sharp spike in international crude prices. Brent crude, which had been trading below USD 70/bbl earlier in the period, surged to over USD 110/bbl range during peak tensions. For Pakistan, a structurally energy import dependent economy, this translated into renewed concerns over a widening trade deficit, increased pressure on the rupee, and potential inflationary pressures.

Reflecting these macroeconomic vulnerabilities, the KSE-100 Index witnessed a notable correction during periods of elevated geopolitical uncertainty. The benchmark closed 3QFY26 at 148,743 points, representing a decline of 14.54% for the quarter, and an increase of 18.40% for 9MFY26. From its all-time high of 191,033, the index retraced nearly 25% to a period low of 144,119 points. The market also experienced extreme intraday volatility, with single-day declines reaching up to 16,000 points—among the sharpest drawdowns in recent memory. Investor sentiment shifted decisively toward risk aversion, with broad-based selling pressure observed across sectors.

However, the market's response to these geopolitical developments remained highly reactive and two-sided. Periodic signs of de-escalation, including diplomatic engagements and temporary ceasefire arrangements, triggered swift recoveries. As immediate supply disruption concerns eased and oil prices retreated from peak levels, import-dependent economies such as Pakistan experienced timely relief. This was reflected in strong rebounds at the PSX, where the benchmark index recovered a significant portion of its earlier losses. The pace of this recovery underscored the depth of domestic liquidity and the resilience of local investors, who largely viewed the correction as a strategic entry point. Needless to say, Pakistan's emerging role in the region as a "peacemaker", on the back of its relations with the US and Iran, and its tireless diplomatic efforts to mediate one of the most comprehensive global disputes in recent history, is likely to bode well for the country as Middle East tensions ease.

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Valuations, while modestly re-rated, remain broadly attractive. The market is currently trading at a forward P/E of approximately 6.2x, lower than its long-term historical average and still at a meaningful discount to regional peers. Importantly, the market narrative has evolved from a liquidity driven rally toward one increasingly anchored in earnings sustainability and macroeconomic normalization. Early signs of margin expansion, supported by easing input costs and relatively stable financing conditions, continue to reinforce the medium-term investment case.

Looking ahead, the KSE-100's near-term trajectory will remain closely linked to developments in the Middle East and their implications for global commodity markets. While oil price volatility and shifting global risk sentiment may drive intermittent risk-off episodes, the domestic investment thesis remains supported by ongoing IMF-backed reforms and a sustainably moderating inflation profile. We believe the market's underlying structural narrative—defined by strengthening earnings visibility and attractive valuation—is sufficiently robust to withstand these external shocks. Consequently, we maintain a constructive medium-term outlook, expecting the index to navigate near-term turbulence while sustaining its broader upward momentum as macroeconomic normalization takes deeper root. More importantly, as Pakistan remains one of the key mediators of the US-Iran war, backed by major players including China and Saudi Arabia, a resolution is most likely to warrant an upgrade in the market valuations.

FIXED INCOME REVIEW

Pakistan's fixed income market deviated from its earlier easing trend during 3QFY26, as rising global oil prices and escalating tensions in the Middle East materially altered inflation expectations and the monetary policy outlook. In its March 2026 meeting, the SBP maintained the policy rate at 10.50%, citing heightened uncertainty stemming from volatile global commodity prices—particularly energy—and the associated risks to inflation and external account stability. The sharp increase in crude oil prices, driven by potential supply disruptions, prompted a reassessment of the disinflation path, with market participants shifting from expectations of further easing toward an extended pause and a growing probability of a policy reversal.

This shift was reflected in a broad-based rise in yields across both primary and secondary markets. Government security yields adjusted upward across the curve, with the short end leading the repricing in response to evolving policy expectations, while the long end incorporated a higher term premium amid rising macroeconomic uncertainty. Secondary market yields on 12-month paper moved above 12%, underscoring a clear shift in near-term rate expectations. Overall, the fixed income market transitioned into a more cautious phase, with yields direction increasingly linked to oil price movements and the evolving policy stance of the central bank.

Primary market activity remained robust during the period, reflecting continued reliance on domestic debt markets for fiscal financing. During 9MFY26, the SBP conducted nineteen (19) Market Treasury Bill (MTB) auctions, through which the government raised PKR 13.44 trillion, exceeding the target of PKR 12.13 trillion. The weighted average yields for 3, 6, and 12-month MTBs stood at 10.69%, 10.70%, and 10.86%, respectively, reflecting a significant decline of 410 bps, 383 bps, and 319 bps compared to 14.80%, 14.53%,

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and 14.05% in the corresponding period last year. The weighted average yield on 1-month MTBs averaged 10.70% during the period. However, this easing trend reversed toward the end of the quarter, with the April 15, 2026 auction showing weighted average yields rising to 11.43% for 3-month, 11.15% for 6-month, and 11.82% for 12-month, signaling a shift in market expectations.

To meet longer-term funding requirements, SBP also conducted nine (9) auctions of fixed-rate Pakistan Investment Bonds (PIB) and was successful in raising PKR 4.94 trillion. The weighted average yields for 3, 5, and 10-year PIBs declined to 10.94%, 11.23%, and 11.76%, respectively, representing a compression of 249 bps, 221 bps, and 148 bps compared to 13.43%, 13.44%, and 13.24% in the corresponding period last year. In the latest PIBs auction held on March 26, 2026, weighted average yields rose to 12.34% for 3-year, 12.44% for 5-year, and 12.40% for 15-year tenors. This repricing was reinforced in the secondary market, where longer-duration bonds continued to come under selling pressure, with 5-year PIB trading above the 13% level.

In the market for Shariah compliant instruments, a total of nine (9) 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 1.86 trillion, against the target of PKR 2.15 trillion.

Looking ahead to the auction target calendars for April through June 2026, the SBP plans to raise PKR 3.90 trillion by issuing 1 to 12-month MTBs against the maturing amount of PKR 5.51 trillion. Additionally, the SBP targets to raise PKR 1.20 trillion through 2 to 15-year fixed-rate PIBs, and PKR 350 billion is targeted to be raised through 10-year floating-rate PIBs.

FUTURE OUTLOOK

As Pakistan enters the final quarter of FY26, the macro-financial environment is increasingly being shaped not only by external volatility but also by a more prominent diplomatic and geopolitical role in the Middle East crisis. While earlier macro stabilization—supported by disinflation, external adjustment, and monetary easing led by the SBP— laid the foundation for recovery, the policy stance has shifted toward a more cautious, stability-oriented approach amid rising global uncertainty.

A defining feature of the current environment is Pakistan's elevated diplomatic positioning in the ongoing US–Iran tensions. In contrast to its traditionally peripheral role, Pakistan has emerged as a key mediator and facilitator of dialogue, hosting and channeling indirect and direct engagement between Washington and Tehran. Islamabad served as a negotiation venue for US–Iran discussions, while Pakistani leadership has actively engaged both sides to sustain ceasefire momentum and prevent escalation, reflecting a calibrated "bridge diplomacy" approach rather than alignment with any single bloc. This role has been reinforced through high-level engagement by the government officials and military leadership, positioning Pakistan as an intermediary trusted by both Western and regional stakeholders in sensitive negotiations.

At the same time, Pakistan's strategic relationship with Saudi Arabia has strengthened materially, adding a parallel layer of geopolitical and economic alignment. Recent high-level meetings between PM Shahbaz

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Sharif and Crown Prince Mohammed bin Salman have focused on regional stability and coordination around crisis management, while reaffirming Saudi Arabia's support for Pakistan's mediation efforts. This evolving relationship is also reflected in deeper strategic and security cooperation, alongside continued financial and investment support discussions, reinforcing Saudi Arabia's role as a key anchor for Pakistan's external sector stability. The alignment is particularly significant given heightened Gulf security risks during the conflict, where Pakistan has simultaneously sought to maintain neutrality while safeguarding strategic partnerships.

From a macro perspective, this dual positioning—acting as a mediator in US–Iran dialogue while strengthening regional alliances has elevated Pakistan's geopolitical relevance but also increased its exposure to regional volatility. Energy market disruptions, particularly linked to risks around the Strait of Hormuz, continue to transmit directly into domestic inflation dynamics. Substantial increase in fuel prices have already contributed to a reversal in the disinflation trend, with inflation moving back toward the mid-to-high single digits after earlier lows. This has reinforced the central bank's cautious stance, with policy expected to remain on hold as it balances external stability, inflation control, and financial market stability.

Going forward, the market outlook is expected to gradually turn more constructive, with any easing in geopolitical tensions likely to provide a meaningful tailwind to investor sentiment. The KSE-100 Index is expected to remain on a firm footing in the near term, supported by improving earnings visibility, attractive valuations, and strong domestic liquidity, while intermittent volatility may persist due to external developments. In fixed income, although the pause in monetary easing and residual inflation risks warrant a measured stance, the asset class continues to offer compelling risk-adjusted returns, with a preference for short-duration and high-quality instruments. Overall, markets are transitioning toward a more disciplined, fundamentals-driven phase, where improving macroeconomic stability and earnings momentum are expected to support more sustainable and selective return generation, rather than broad-based expansion.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

Karachi: April 27, 2026

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FUND INFORMATION

AKD Islamic Income Fund

Management Company
AKD Investment Management Limited
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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 31 MARCH 2026

	Note	(Unaudited) 31 March 2026	(Audited) 30 June 2025
		---------- (Rupees in 000)	---------
ASSETS			
Bank balances	5	683,440	370,730
Investments	6	**1,578,876**	989,477
Profit receivable	8	**62,552**	29,264
Deposits, prepayments and other receivables	9	**7,873**	3,634
Receivable against sale / conversion of units		**140**	56,523
Total assets		**2,332,880**	1,449,628
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	10	**581**	3,428
Payable to the Digital Custodian Company Limited -Trustee	11	**391**	136
Payable to Securities and Exchange Commission of Pakistan	12	**150**	84
Accrued expenses and other liabilities	13	**4,416**	37,354
Advance against issuance of units		**-**	100,000
Transaction charges payable		**391**	-
Payable against redemption / conversion of units		**-**	1,988
Total liabilities		**5,930**	142,990
NET ASSETS		**2,326,950**	1,306,638
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**2,326,950**	1,306,638
CONTINGENCIES AND COMMITMENTS	14		
		------ (Number of units)	------
NUMBER OF UNITS IN ISSUE		**42,246,783**	25,321,880
		-------- (Rupees)	---------
NET ASSET VALUE PER UNIT		**55.0799**	51.6011

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 NINE MONTHS AND THREE MONTHS PERIOD ENDED 31 MARCH 2026

	Note	Nine Months Period Ended 31 March		Three Months Period Ended 31 March	
		2026	2025	**2026**	2025
		---------------- (Rupees in 000)	---------------		
INCOME					
Capital gain on sale of investments classified as 'at fair value through profit or loss'		**10,751**	6,460	**6,005**	3,451
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'		**(15,078)**	5,987	**(14,886)**	(14,499)
Income from sukuk certificates and GoP Ijara		**84,265**	117,861	**31,760**	41,067
Amortization of discount on Commercial papers		**1,393**	27,392	**686**	3,261
Profit on Placements		**18,031**	3,090	**6,157**	3,090
Dividend income		**3,701**	12,554	**-**	-
Profit on bank deposits		**50,507**	26,399	**18,182**	4,078
Other Income		**245**	-	**33**	-
Total income		**153,815**	199,743	**47,936**	40,448
EXPENSES					
Remuneration of the AKD Investment Management Limited - Management Company	10.1	**15,122**	9,411	**5,692**	2,935
Sindh sales tax on remuneration of the Management Company	10.2	**2,268**	1,376	**854**	440
Expenses allocated by Management Company	10.3	**-**	2,716	**-**	732
Remuneration of Digital Custodian Company Limited - Trustee	11.1	**1,396**	1,461	**264**	440
Sindh sales tax on the remuneration of trustee	11.2	**209**	218	**52**	66
Annual fee to the Securities and Exchange Commission of Pakistan	12.1	**1,134**	913	**427**	275
Auditor's remuneration		**143**	189	**61**	62
Settlement and bank charges		**-**	34	**-**	-
Brokerage fee		**1,657**	274	**590**	42
Fee and subscription		**109**	151	**46**	(185)
Legal and professional charges		**124**	394	**53**	284
Amortization of premium on government securities		**2,883**	-	**1,358**	-
Shariah Advisory Fee		**187**	-	**80**	-
Charity		**-**	1,728	**-**	195
Total expenses		**25,232**	18,865	**9,475**	5,287
Net income for the period before taxation		**128,582**	180,878	**38,461**	35,161
Taxation	16	**-**	-	**-**	-
Net income for the period after taxation		**128,582**	180,878	**38,461**	35,161
Allocation of net income for the period					
Net income for the period after taxation		**128,582**	180,878	**38,461**	35,161
Income already paid on units redeemed		**(48,175)**	(68,850)	**(25,145)**	(35,161)
		80,408	112,028	**13,316**	-
Accounting income available for distribution					
Relating to capital gains		**-**	12,447	**-**	-
Excluding capital gains		**80,408**	99,581	**13,316**	-
		80,408	112,028	**13,316**	-

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 NINE MONTHS AND THREE MONTHS PERIOD ENDED 31 MARCH 2026

	Nine Months Period Ended 31 March		Three Months Period Ended 31 March	
	2026	2025	**2026**	2025
	---------------- (Rupees in '000) ---------------			
Net income for the period after taxation	**128,582**	180,878	**38,461**	35,161
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income for the period	**128,582**	180,878	**38,461**	35,161

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 NINE MONTHS PERIOD ENDED 31 MARCH 2026

	Note	Nine Months Period Ended 31 March 2026	2025
		------- (Rupees in '000)	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**128,582**	180,878
Adjustments for non cash and other items:			
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'at fair value through profit or loss'		**15,078**	(5,987)
		143,660	174,891
(Increase) / decrease in assets			
Profit and dividend receivable		**(33,288)**	(10,847)
Deposits, prepayments and other receivables		**(4,239)**	125
Receivable against sale of investments		**-**	-
Receivable against sale / conversion of units		**56,383**	(16,960)
Net (increase) / decrease in assets during the period		**18,856**	(27,682)
(Decrease) / increase in liabilities			
Payable to AKD Investment Management Limited - Management Company		**(2,847)**	(502)
Payable to the Digital Custodian Company Limited -Trustee		**255**	727
Payable to Securities and Exchange Commission of Pakistan		**66**	(6)
Accrued expenses and other liabilities		**(32,938)**	(21,258)
Payable against purchase of securities		**391**	27,753
Dividend payable		**-**	(2,639)
Advance against issuance of units		**(100,000)**	-
Payable against redemption / conversion of units		**(1,988)**	(4,425)
Net (decrease) / increase in liabilities		**(137,059)**	(350)
Investment - net		**(604,477)**	(63,280)
Net cash flows (used in) / generated from operating activities		**(579,020)**	83,579
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issue of units		**5,982,079**	2,002,272
Payment against redemption of units		**(5,090,349)**	(2,550,385)
Net cash generated from / (used in) financing activities		**891,730**	(548,114)
Net (decrease) / increase in cash and cash equivalents		**312,710**	(464,535)
Cash and cash equivalents at beginning of the period		**370,730**	701,259
Cash and cash equivalents at end of the period	5	**683,440**	236,724

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 NINE MONTHS PERIOD ENDED 31 MARCH 2026

	Nine Months Period Ended 31 March 2026			Nine Months Period Ended 31 March 2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------			---------- (Rupees in '000) ----------		
Net assets at beginning of the period	**1,277,239**	**29,398**	**1,306,637**	1,685,212	22,402	1,707,614
Issue of 112,359,428 (2025: 36,454,723) units						
- Capital value (at ex-net asset value per unit at the beginning of period)	**5,797,870**	**-**	**5,797,870**	1,872,119	-	1,872,119
- Element of income	**184,209**	**-**	**184,209**	130,153	-	130,153
Total proceeds on issuance of units	**5,982,079**	**-**	**5,982,079**	2,002,272	-	2,002,272
Redemption of 95,434,524 (2025: 46,369,371) units						
- Capital value (at ex-net asset value per unit at the beginning of period)	**(4,924,526)**	**-**	**(4,924,526)**	(2,381,280)	-	(2,381,280)
- Element of loss	**(117,648)**	**(48,175)**	**(165,823)**	(100,254)	(68,850)	(169,105)
Total payments on redemption of units	**(5,042,175)**	**(48,175)**	**(5,090,349)**	(2,481,535)	(68,850)	(2,550,385)
Total comprehensive income for the period	**-**	**128,582**	**128,582**	-	180,878	180,878
Distribution during the period	**-**		**-**	-		-
	-	**128,582**	**128,582**	-	180,878	180,878
Net assets at end of the period	**2,217,143**	**109,806**	**2,326,950**	1,205,948	134,430	1,340,378
Undistributed income brought forward						
- Realised income		**-**			16,415	
- Unrealised (loss) / Income		**12,079**			5,987	
		29,398			22,402	
Accounting income available for distribution						
- Relating to capital gains		**-**			12,447	
- Excluding capital gains		**80,408**			99,581	
Net profit for the period		**80,408**			112,028	
Distribution during the period		**-**			-	
Undistributed income carried forward		**109,806**			134,430	
Undistributed income carried forward						
- Realised income		**124,883**			128,443	
- Unrealised gain		**(15,078)**			5,987	
		109,806			134,430	
Net assets value per unit at beginning of the period		**51.6011**			51.3546	
Net assets value per unit at end of the period		**55.0799**			57.4362	

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 NINE MONTHS PERIOD ENDED 31 MARCH 2026

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 Management Company has been assigned an asset manager rating of 'AM2' by the Pakistan Credit Rating Agency Limited (PACRA) on May 07, 2025 (June 30, 2025: 'AM2' dated May 07, 2025). Furthermore, the Fund has been assigned a stability rating of 'AA-(f)' by PACRA on November 19, 2025 (June 30, 2025: 'AA-(f)' dated July 18, 2025).

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 2025.

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 March 2026.

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 2025.

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 2025.

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 2025.

5. BANK BALANCES	**Note**	**(Unaudited) 31 March 2026**	(Audited) 30 June 2025
		------ (Rupees in '000)	**------**
Bank Deposit-Clean Placement		-	110,000
Saving accounts		**683,440**	260,730
	5.1	**683,440**	370,730

5.1 Savings accounts carry mark-up ranging between 8.5% to 10% (30 June 2025: 0.1% to 10.0%) per annum.

6. INVESTMENTS

	Note	(Unaudited) 31 March 2026	(Audited) 30 June 2025
At fair value through profit or loss			
- Sukuk certificates	6.1	**572,494**	145,456
- GoP Ijara Sukuk	6.2	**776,382**	590,021
			-
		1,348,876	735,477
At amortised cost			
- Certificate of Musharika	6.3	**230,000**	-
- Commercial paper - unlisted / short term sukuk (STS).		**-**	254,000
		1,578,876	989,477

6.1 Sukuk certificates

Name of investee company	Rate of return per annum	As at 01 July 2025	Purchased during the year	Sold / Matured during the year	As at 31 March 2026	Carrying value as at 31 March 2026	Market value as at 31 March 2026	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	--- % ---	Number of certificates				(Rupees in '000)			%	
Listed										
TPL Trakker Limited	23.24%	115	-	-	115	57,500	57,500	-	2.47%	3.64%
TPL Corporation Limited	22.45%	1,150	-	1,150	-	-	-	-	0.00%	0.00%
Mughal Iron & Steels Industries Limited	23.39%	10	-	10	-	-	-	-	0.00%	0.00%
Ismail Industries Limited	11.02%	-	75	75	-	-	-	-	0.00%	0.00%
Pakistan Telecommunication Company Ltd	2.80%	-	117	62	55	55,000	55,000	-	2.36%	3.48%
Daewoo Pakistan Express Bus Services Limited	2.60%	-	224	-	224	224,000	224,000	-	9.63%	14.19%
Citi Pharma Limited	11.80%	-	45	45	-	-	-	-	0.00%	0.00%
Thatta Cement Company Limited	11.00% - 13.00%	-	185	-	185	185,000	188,418	3,418	8.10%	11.93%
						521,500	**524,918**	**3,418**		
Unlisted										
Pakistan International Airlines Holdings Limited	12.00%	10,000	-	-	10,000	47,576	47,576	-	2.04%	3.01%
			Total as at 31 March 2026			**569,076**	**572,494**	**3,418**		
			Total as at 30 June 2025			139,280	145,456	6,174		

6.2

Name of Investee Company	Rate of return per annum	As at 01 July 2025	Purchased during the year	Sold / Matured during the year	As at 31 March 2026	Carrying value as at 31 March 2026	Market value as at 31 March 2026	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	7.8% to 21.63%	945,000	946,885	1,145,375	746,510	794,877	776,382	(18,495)	33.36%	49.17%
			Total as at 31 March 2026			**794,877**	**776,382**	**(18,495)**		
			Total as at 30 June 2025			584,118	590,022	5,904		

Name of investee company	As at 01 July 2025	Purchased during the year	Sold / disposed	As at 31 March 2026	Carrying Value	Market Value	Unrealized Gain/loss	Net Asset of the fund	Total Investment of the fund
	---------------- Number of shares ----------------				-------------- (Rupees in '000) -----------			----------%--------	
Automobile Assembler									
Ghandhara Automobiles Limited	-	5,000	5,000	-	-	-	-	-	-
Chemical									
Engro Polymer & Chemicals Limited	-	29,500	29,500	-	-	-	-	-	-
Commercial Banks									
Meezan Bank Limtied	-	2,000	2,000	-	-	-	-	-	-
Power Generation & Distribution									
The Hub Power and Company	-	1,054,500	1,054,500	-	-	-	-	-	-
K-Electric Limited	-	60,000	60,000	-	-	-	-	-	-
Transport									
Pakistan International Bulk Terminal	-	2,918,500	2,918,500	-	-	-	-	-	-
Pharmaceuticals									
The Searl Company Limited	-	1,343,000	1,343,000	-	-	-	-	-	-
Citi-Pharma	-	824,500	824,500	-	-	-	-	-	-
Cable and Electrical Goods									
Pak Electron Limited	-	2,451,500	2,451,500	-	-	-	-	-	-
Engineering									
International Industries Limited	-	10,500	10,500	-	-	-	-	-	-
Refinery									
Pakistan Refinery Limited	-	237,000	237,000	-	-	-	-	-	-
Attock Refinery Limited	-	129,500	129,500	-	-	-	-	-	-
Cnergyico PK NC	-	20,000	20,000	-	-	-	-	-	-
Technology & Communication									
Systems Limited	-	284,500	284,500	-	-	-	-	-	-
NetSol Technologies Limited	-	3,500	3,500	-	-	-	-	-	-
Pakistan Telecommunication Co	-	422,000	422,000	-	-	-	-	-	-
INV. BANKS / INV. COS. / SECURITIES COS									
Engro Holdings Limited	-	48,500	48,500	-	-	-	-	-	-
Textile Composite									
Nishat Mills	-	779,000	779,000	-	-	-	-	-	-
Food and Personal Care									
Treet Corporation	-	831,000	831,000	-	-	-	-	-	-
Unity Foods Ltd	-	67,000	67,000	-	-	-	-	-	-
Fauji Food Pvt Limited	-	334,500	334,500	-	-	-	-	-	-
At-Tahur Ltd	-	44,500	44,500	-	-	-	-	-	-
Cement									
Power Cement Limited	-	100,500	100,500	-	-	-	-	-	-
Pioneer Cement	-	40,000	40,000	-	-	-	-	-	-
Fauji Cement Company Limited	-	529,000	529,000	-	-	-	-	-	-
Maple Leaf Cement	-	297,000	297,000	-	-	-	-	-	-
Lucky Cement Limited	-	1,000	1,000	-	-	-	-	-	-
D.G Khan Cement	-	33,500	33,500	-	-	-	-	-	-

Fertilizer									
Fauji Fertilizer Company Limited	-	15,500	15,500	-	-	-	-	-	-
Oil & Gas Exploration Companies									
Pakistan Petroleum Limited	-	170,500	170,500	-	-	-	-	-	-
Oil & Gas Development Company Limited	-	117,500	117,500	-	-	-	-	-	-
Mari Energies Limited	-	38,000	38,000	-	-	-	-	-	-
Oil & Gas Marketing Companies									
Sui Southern Gas Company Limited	-	2,621,500	2,621,500	-	-	-	-	-	-
Pakistan State Oil	-	172,500	172,500	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	719,500	719,500	-					
Total as at 31 March 2026 before the impact of mark to market on future contracts					-	-	-		
Unrealised loss on mark to market of future contracts					-	-	-		
Total as at 31 March 2026 after the impact of mark to market on future contracts					-	-	-		
Total as at 30 June 2025					-	-	-		

6.3 Certificate of Musharika

Name of investee company	As at 01 July 2025	Purchased during the year	Matured/ disposed during the year	As at 31 March 2026	Market value	Unrealised appreciation /(diminution)	Market value as percentage of net assets	Market value as percentage of total investment
	---------- Face Value Rupees in '000 ----------				-------- (Rupees in '000) --------		-------------- (%) --------------	
Lucky Electric Power Co. Limited	17,000	-	17,000	-	-	-	0.00%	0.00%
K-Electric Limited	125,000	-	125,000	-	-	-	0.00%	0.00%
Ismail Industries Limited	32,000	-	32,000	-	-	-	0.00%	0.00%
K-Electric Limited	80,000	-	80,000	-	-	-	0.00%	0.00%
Habib Bank Ltd - Islamic Banking	-	2,700,000	2,700,000	-	-	-	0.00%	0.00%
AlBaraka Bank (Pakistan) Limited	-	200,000	200,000	-	-	-	0.00%	0.00%
Zarai Taraqiati Bank Ltd	-	6,900,000	6,900,000	-	-	-	0.00%	0.00%
Soneri Bank Limited	-	483,222	483,222	-	-	-	0.00%	0.00%
OLP Modaraba	-	690,000	460,000	230,000	230,000	-	9.88%	14.57%
Total as at 31 March 2026				**230,000**	**230,000**	**-**		
Total as at 30 June 2025				**254,000**	**254,000**	-		

		Note	(Unaudited) 31 March 2026	(Audited) 30 June 2025
			----- (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	**572,494**	145,455
	- Certificate of Musharika		**230,000**	-
	- Government securities	6.2	**776,382**	590,022
			1,578,877	735,477
	Less: Carrying amount of investments			
	- Sukuk certificates	6.1	**569,076**	139,280
	- Certificate of Musharika		**230,000**	-
	- Government securities	6.2	**794,878**	584,118
			(1,593,954)	(723,398)
			(15,078)	12,079

8. PROFIT RECEIVABLE

Profit receivable on:		
- Sukuk certificates	**23,985**	4,062
- Commercial paper / Short Term Sukuks (STS)	**-**	5,755
- GoP Ijara sukuk	**24,446**	18,745
- Letter of placement	**2,661**	32
- Bank deposits	**11,460**	670
	62,552	29,264

9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposits with:		
- National Clearing Company of Pakistan Limited	**6,808**	2,500
- Central Depository Company of Pakistan Limited	**100**	100
Prepaid shariah advisor fee	**-**	344
Prepaid listing and printing fee	**80**	-
Prepaid rating fee	**285**	-
Advance tax	**601**	690
Other receivables	**-**	-
	7,873	3,634

9.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance), payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150 of the Ordinance. However, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs. 0.594 million (2025: Rs. 0.690 million).

10. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee	10.1	**-**	2,005
Sindh sales tax on management fee	10.2	**-**	300
Expenses allocated by the management company	10.3	**-**	515
Formation cost		**-**	184
Sales load payable		**581**	424
		581	3,428

10.1 As per regulation 61 of the NBFC Regulations, the management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document. Management company has charged its remuneration ranging from 1% per annum of the average annual net assets of the fund during the period ended March 31, 2026. The remuneration is payable to the management company monthly in arrears. During the period ended March 31, 2026 the SECP, vide S.R.O 600(I)/2025 dated April 10, 2025 revised the management fee cap to 1.5 % to be calculated on a per annum basis of the average daily net assets applicable to an "Income Scheme". The revision is effective from July 01, 2025.

10.2 The represent Sindh Sales Tax levied at the rate of 15% (June 30, 2025: 15%) on the remuneration of the Management Company.

10.3 Previouly as per Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge fees and expenses for registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS). The SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, issued amendments to Schedule XX of the NBFC Regulations, whereby the chargeability of expenses related to these services has been excluded. This amendment became effective immediately upon its release on April 10, 2025. Accordingly the Management Company has not charged any such expenses during the current period. For the year ended June 30, 2025, such expenses were charged up to April 10, 2025, at a rate up to 0.10% per annum on average daily net assets of the Fund.

11. PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE

		(Unaudited) 31 March 2026	(Audited) 30 June 2025
		----- (Rupees in '000) -----	
Trustee fee	11.1	**340**	116
Sindh sales tax on trustee fee	11.2	**51**	20
		391	136

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 2025: 15%) 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	**150**	84

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 2025: 0.075%) of the average annual net assets of the scheme.

13. ACCRUED AND OTHER LIABLITIES	Note	(Unaudited) 31 March 2026	(Audited) 30 June 2025
		----- (Rupees in '000) -----	
Auditor's remuneration		**205**	286
Brokerage payable		**-**	350
NCCPL fee payable		**-**	-
Withholding tax payable		**20**	33,965
Capital gain tax payable		**1,195**	-
Sales load payable		**-**	20
Charity payable	13.1	**2,172**	2,172
Payable against time barred cheques		**487**	487
Annual listing fee payable		**33**	-
Legal and professional charges payable		**113**	-
Zakat payable		**19**	-
Shariah advisory fee		**80**	-
Others		**93**	74
		4,416	37,354

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 March 2026 (30 June 2025: Nil).

15. TOTAL EXPENSE RATIO

Previously, the annualised Total Expense Ratio (TER) of the Fund was subject to the maximum limit of 2.5% (excluding government levies) as prescribed under the NBFC Regulations for a collective investment scheme categorised as an " Income Scheme". The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 600(I)/2025 dated April 10, 2025, amend the previously applicable TER caps. With effect from July 1, 2025, the earlier TER-based cap has been replaced with a direct cap on the management fee, irrespective of the Fund's overall expense ratio. The revised management fee limit has been disclosed in note 10.1 to the financial statements.

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:

			(Unaudited) 31 March	
			2026	2025
17.1	**Transactions during the period**	**Note**	------ (Rupees in '000) ------	
	AKD Investment Management Limited - Management Company			
	Remuneration to Management Company		**15,122**	9,411
	Sindh sales tax on Management remuneration		**2,268**	1,376
	Expenses allocated by the Management Company		**-**	2,716
	Issuance of 753,167 Units (2025: 115,083 units)		**40,366**	6,508
	Sales load		**-**	271
	Redemption of units 750,582 Units (2025: 115,083 units)		**40,700**	6,552
	Digital Custodian Company Limited - Trustee			
	Trustee fee		**1,396**	1,461
	Sindh sales tax on trustee fee		**209**	218
	Imran Motiwala - Key Management personnel			
	Issue of 159,078 units (2025: 42,948 units)		**8,544**	2,407
	Redemption of 163,326 units (2025: 28,732 units)		**7,242**	1,619
	Sehr Imran Motiwala - Key Management personnel			
	Issue of 748,468 units (2025: 92,760 units)		**39,511**	5,143
	Redemption of 743,331 units (2025: 62,481 units)		**39,535**	3,505
	Toqir Hussain - Key Management Personnel of Associated Company			
	Issue of 379 units (2025: 173 units)		**20**	9
	Ali Wahab Siddiqui - Director of the Management Company			
	Redemption of Nil units (2025: 88,020 units)		**-**	5,000
	Hina Aqeel - Close relative of the Sponsor of the Management Company			
	Redemption of Nil units (2025: 412 units)		**-**	23
	Shifa Khalid			
	Issue of 717 units (2025: 151,251 units)		**38**	8,416
	Redemption of Nil units (2025: 151,457 units)		**-**	8,448
	Khalid Mahmood - Director of the Management Company			
	Issue of Nil units (2025: 504,937 units)		**-**	28,096
	Redemption of Nil units (2025: 505,090 units)		**-**	28,173

Transactions during the period	Note	(Unaudited) 31 March 2026	2025
		------ (Rupees in '000) ------	
Askari General Insurance Co Limited - Connected person due to holding of more than 10% units.			
Issue of 6,718,107 units (2025: 10,713,405 units)		**361,475**	586,134
Redemption of 1,858,402 units (2025: 8,118,393 units)		**100,000**	455,000
Lubna Najmul Hussain Dossa - Connected person due to holding of more than 10% units.			
Issue of 3,998,360 units (2025: 135,449 units)		**215,000**	7,194
Redemption of 1,204,135 units (2025: 597,797 units)		**66,000**	34,000
Dinaz Cassim - Connected person due to holding of more than 10% units.			
Issue of 4,257,566 units (2025: 174,123 units)		**228,572**	9,272
Redemption of 1,271,404 units (2025: 3,071,732 units)		**70,000**	162,000
AKD Investment Management Ltd Staff Provident Fund			
Issue of 6,817 units (2025: Nil units)		**358**	-
Redemption of 6,817 units (2025: Nil units)		**358**	-
HUM Network Limited			
Issue of Nil units (2025: Nil units)		**-**	-
Redemption of 129,601 units (2025: Nil units)		**6,947**	-
AKD Securities (Pvt) Ltd.			
Issue of 56,508,881 units (2025: Nil units)		**3,000,000**	-
Redemption of 56,508,881 units (2025: Nil units)		**3,006,568**	-
Durain Cassim			
Issue of 5,983,389 units (2025: Nil units)		**322,415**	-
Redemption of 2,126,990 units (2025: Nil units)		**117,000**	-

17.2 Balances outstanding at the period / year end	Note	Unaudited 31 March 2026	Audited 30 June 2025
		------------ (Rupees in '000) ------------	
AKD Investment Management Limited - Management Company			
Remuneration payable		**-**	2,005
Sindh sales tax on Management remuneration		**-**	300
Payable against expenses allocated by the Management Company		**-**	515
Payable against formation cost		**-**	184
Sales load payable		**581**	424
Units held 2,799 units (30 June 2025: 214)		**154**	11
Digital Custodian Company Limited - Trustee			
Remuneration payable		**340**	116
Sindh sales tax on trustee remuneration payable		**51**	20
AKD Securities Limited - Associated Company			
Brokerage payable		**-**	187
Hum Network Limited			
Units held Nil units (30 June 2025: 129,600 units)		**-**	6,688
Director and Chief Executive Officer of the Management Company - Imran Motiwala			
Units held 2,633 units (30 June 2025: 6,882 units)		**145**	355
Sehr Imran Motiwala - Key Management personnel			
Outstanding 26,326 units (2025: Nil units)		**1,450**	-
Director and Chief Investment Officer of the Management Company - Anum Dehdi			
Units held 61 units (30 June 2025: 61 units)		**3**	3
Company Secretary and Chief Operating Officer of the Management Company (with spouse and minor children)			
units held Nil units (30 June 2025: 96,586 units)		**-**	4,984

Mr. Toqir Hussain - Head of IT of the Management Company Units held 2,187 units (30 June 2025: 2,566 units)	**120**	132
Mr. Carrow Michael - Head of HR of the Management Company Units held 1 unit (30 June 2025: 1 unit)	**0.1**	1
Shifa Khalid Close Relative of Chairperson of the Management Company Units held 717 units (30 June 2025: 1 unit)	**39**	1
Muhammad Farid Alam - Key Management Personnel of Associated Company Units held 719 units (30 June 2025: 719 units)	**40**	37
Afsheen Aqeel Dhedhi- Key Management Personnel of Associated Company Units held 47 units (30 June 2025: 47 units)	**3**	2
AKD Securities Limited - Associated Company Brokerage payable	**-**	187
Hasan Ahmed - Director of the Management Company Units held 160 units (30 June 2025: 160 units)	**9**	8
Ali Wahab Siddiqui - Director of Management Company Units held 277,459 (30 June 2025: 277,459 units)	**15,282**	14,317
Pak Qatar Investment Account - Connected person due to holding of more than 10% units Units held Nil units (30 June 2025: 2,686,337 units)	**-**	138,618

Balances outstanding at the period / year end	**Note**	**Unaudited 31 March 2025**	**Audited 30 June 2025**
		------------- (Rupees in '000) -------------	
Pak Qatar Individual Family Participant Investment Fund - Connected Person Due to Holding Of more than 10% Units Units held 79,649 (30 June 2025: 79,649 units)		**4,387**	4,110
Dinaz Cassim - Connected person due to holding of more than 10% units** Units held 6,175,216 (30 June 2025: 3,189,054 units) ** Current period connected party		**340,130**	164,559
Hina Aqeel- Close relative of Sponsor of Management Company Units held Nil units (30 June 2025: 1 unit)		**-**	1
Yasmeen Dhedhi- Close relative of Sponsor of Management Company Units held 24,401 Units (30 June 2025: 21,937 units)		**1,344**	1,132
M3 Technologies Pakistan Private Limited Employees' Provident fund - Common Directorship Units held 297,498 units (30 June 2025: 297,498 units)		**16,386**	15,351
Lubna Najmul Hussain Dossa - Connected person due to holding of more than 10% units** Units held 5,595,525 (30 June 2025: 2,801,300 units)		**308,201**	144,550
Askari General Insurance Co. Ltd. Units held 5,883,763 units (30 June 2025: 2,801,300 units)		**324,077**	-
Durain Cassim Outstanding 4,668,888 units (2025: Nil units)		**257,162**	-

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).

		(Unaudited) As at 31 March 2026			
		Level 1	**Level 2**	**Level 3**	**Total**
	Note	**(Rupees in '000)**			
Investment in securities - at fair value through profit or loss					
Investments	7	**776,382**	**802,494**	**-**	**1,578,876**
		776,382	**802,494**	**-**	**1,578,876**

		(Audited) As at 30 June 2025			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Investment in securities - at fair value through profit or loss					
Investments	7	590,021	145,456	-	735,477
		590,021	145,456	-	735,477

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

19 GENERAL

19.1 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 April 27, 2026 by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

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