Quarterly Report
September 30, 2025
(Un-audited)

AKD
Islamic Stock Fund

Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit form the Experience

AKD Investment
Management Ltd.

CORPORATE INFORMATION

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

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

Chief Executive Officer
Mr. Imran Motiwala

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

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

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

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

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

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

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

VISION

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

MISSION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), Golden Arrow Stock Fund (GASF), AKD Index Tracker Fund (AKDITF), AKD Islamic Stock Fund (AKDISSF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), and AKD Islamic Daily Dividend Fund (AKDIDDF) is pleased to present its first quarter report along with the funds' un-audited financial statements for the quarter ended September 30, 2025.

FUNDS' FINANCIAL PERFORMANCE

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

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

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

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

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

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

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

AKD Islamic Cash Fund (AKDICF) - *(Formerly: AKD Islamic Daily Dividend Fund)*
For the 1QFY26, the annualized return of AKD Islamic Cash Fund *(Formerly: AKD Islamic Daily Dividend Fund)* stood at 13.16% compared to the benchmark return of 9.74%.

MACRO PERSPECTIVE

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

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

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

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

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

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

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

FIXED INCOME REVIEW

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

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

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

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

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

FUTURE OUTLOOK

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

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

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

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

For and on behalf of the board

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

Karachi:

FUND INFORMATION

AKD Islamic Stock Fund

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

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

Bankers
Bankislami Pakistan Limited

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

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

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

	Note	(Un-audited) September 30, 2025	(Audited) June 30, 2025
		Rupees in '000	
Assets			
Bank balances	6	**106,284**	48,103
Investments	7	**495,858**	393,659
Profit receivable on bank and dividend recievable	8	**857**	2
Deposits, prepayments and other receivables	9	**5,232**	2,862
Receivable against sale of securities		**11,761**	37,050
Receivable against sale of units		**1,013**	7,806
Total Assets		**621,005**	489,482
Liabilities			
Payable to AKD Investment Management Limited - Management Company	10	**2,892**	3,082
Payable to Digital Custodian Company Limited - Trustee	11	**359**	48
Payable to Securities and Exchange Commission of Pakistan	12	**34**	34
Dividend Payable		**9**	496
Payable against purchase of investment		**35,401**	-
Accrued expenses and other liabilities	13	**19,630**	12,396
Payable against redemption / conversion of units		**3,657**	40,996
Total Liabilities		**61,981**	57,052
Net Assets		**559,025**	432,430
Unit Holders' Fund (as per statement attached)		**559,025**	432,430
Contingencies and Commitments	14		
		Number of units	
Number of units in issue		**4,889,201**	4,845,101
		Rupees	
Net assets value per unit		**114.3386**	89.2511

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

For AKD Investment Management Limited
(Management Company)

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

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

		Quarter ended September 30	
		2025	2024
	Note	**(Rupees in '000)**	
Income			
Capital gain on sale of investments		**44,570**	(19,699)
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial assets at fair value through profit and loss'	7.2	**80,516**	(5,764)
Dividend income		**428**	19,890
Profit on bank deposits		**7**	1,023
Total gain / (loss)		**125,521**	(4,550)
Expenses			
Remuneration of the Management Company		**3,016**	1,088
Sales tax on the remuneration of the Management Company		**452**	162
Remuneration of the Trustee		**142**	65
Sales tax on the Trustee remuneration		**21**	10
Annual fee to the Securities and Exchange Commission of Pakistan		**113**	52
Fund rating fee		**37**	-
Expenses allocated by the Management Company		**-**	326
Securities transaction costs		**813**	282
Auditors' remuneration		**63**	63
Annual listing fee		**8**	-
Fee and subscription		**143**	103
Legal and professional charges		**54**	54
Total expenses		**4,863**	2,204
Net Income / (loss) for the period before taxation		**120,658**	(6,754)
Taxation	16	**-**	-
Net Income / (loss) for the period after taxation		**120,658**	(6,754)
Allocation of net income for the period			
Net income for the period after taxation		**120,658**	(6,754)
Income already paid on units redeemed		**(12,544)**	208
		108,115	(6,546)
Accounting income available for distribution			
Relating to capital gain		**108,115**	(25,463)
Excluding capital gains		**-**	18,917
		108,115	(6,546)

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

For AKD Investment Management Limited
(Management Company)

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

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

	Quarter ended September 30	
	2025	2024
	(Rupees in '000)	
Net Gain / (loss) for the period after taxation	**120,658**	(6,754)
Other comprehensive income for the period	**-**	-
Total comprehensive loss for the period	**120,658**	(6,754)

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

For AKD Investment Management Limited
(Management Company)

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

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

	Note	Quarter ended September 30 2025	2024
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / gain for the period before taxation		**120,658**	(6,754)
Adjustments			
Capital loss / (gain) on sale of investments		**(44,570)**	19,699
Dividend income		**(428)**	
Profit on bank deposits		**(7)**	
Net unrealised (appreciation) / diminution on remeasurement of investments classified as 'financial assets at fair value through profit and loss'		**(80,516)**	5,764
		(4,863)	18,709
(Increase) / decrease in assets			
Investments		**22,886**	(39,428)
Dividend and Profit receivable on bank deposits		**(427)**	(21,764)
Deposits, prepayments and other receivables		**(2,363)**	321
Receivable against conversion of units		**25,289**	-
Receivable against sale of securities		**6,793**	(10,717)
		52,179	(71,588)
Increase / (decrease) in liabilities			
Payable to AKD Investment Management Limited - Management Company		**(190)**	2,709
Payable to Digital Custodian Company Limited - Trustee		**311**	122
Payable to Securities and Exchange Commission of Pakistan		**(0)**	67
Dividend Payable		**(487)**	-
Payable against purchase of investment		**35,401**	(4,497)
Payable against redemption / conversion of units		**(37,339)**	6,100
Accrued expenses and other liabilities		**7,234**	10,512
		4,929	15,013
Net cash (used in) / generated from operating activities		**52,244**	(37,866)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issue of units		**375,245**	126,038
Payment against redemption of units		**(369,308)**	(104,298)
Net cash generated from / (Used in) financing activities		**5,936**	21,740
Net (decrease) / increase in cash and cash equivalents		**58,181**	(16,126)
Cash and cash equivalents at beginning of the period		**48,103**	17,689
Cash and cash equivalents at end of the period	6	**106,284**	1,563

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

For AKD Investment Management Limited
(Management Company)

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

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

	2025			2024		
	Capital value	Undistributed income	Net assets	Capital value	Undistributed income	Net assets
	---------- (Rupees in '000) ----------					
Net assets at beginning of the period	**431,491**	**940**	**432,430**	309,834	(80,622)	229,212
Issuance of 3,942,120 (2024: 2,043,572) units						
- Capital value (at net asset value per unit at the beginning of the period)	**351,839**	**-**	**351,839**	125,573	-	125,573
- Element of income	**23,406**	**-**	**23,406**	465	-	465
Total proceeds on issuance of units	**375,245**	**-**	**375,245**	126,038	-	126,038
Redemption of 3,898,020 (2024: 2,299,851) units						
- Capital value (at net asset value per unit at the beginning of the period)	**(347,925)**	**-**	**(347,925)**	(104,237)	-	(104,237)
- Element of income	**(8,840)**	**(12,544)**	**(21,383)**	(269)	208	(61)
Total payments on redemption of units	**(356,765)**	**(12,544)**	**(369,308)**	(104,506)	208	(104,298)
Total comprehensive income / (loss) for the period	**-**	**120,658**	**120,658**	-	(6,754)	(6,754)
Distribution during the period	**-**	**-**	**-**	-	-	-
Net (loss) / income for the period less distribution	**-**	**120,658**	**120,658**	-	(6,754)	(6,754)
Net assets at end of the period	**449,971**	**109,055**	**559,025**	331,366	(87,168)	244,198
Undistributed loss brought forward						
- Realised		**(25,229)**			(115,719)	
- Unrealised		**26,209**			35,097	
		980			(80,622)	
Accounting income available for distribution						
- Relating to capital gains		**108,115**			(25,463)	
- Excluding capital gains		**-**			18,917	
		108,115			(6,546)	
Undistributed gain/ (loss) carried forward		**109,095**			(87,168)	
Undistributed gain / (loss) carried forward						
- Realised loss		**28,579**			(81,404)	
- Unrealised gain / (loss)		**80,516**			(5,764)	
		109,095			(87,168)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		**89.2511**			58.7944	
Net assets value per unit at end of the period		**114.3386**			58.2676	

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

For AKD Investment Management Limited
(Management Company)

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

AKD ISLAMIC STOCK FUND
Notes to the condensed interim financial statements (Un-audited)
For the first quarter ended September 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

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

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

The Pakistan Credit Rating Company Limited (PACRA) has assigned asset manager rating of 'AM2' to the Management Company dated 07 May 2025. PACRA has also assigned long term / short term perfomannce ranking of the Fund "2-star / 2-star" as on 27 May 2025.

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2025.

2.3 These condensed interim financial statements are unaudited. In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 30 September 2025.

3. AMENDMENTS TO ACCOUNTING STANDARDS

Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2025 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 01, 2025 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

3. Earnings per unit

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

4. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June

In preparing this condensed interim financial information, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2025.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2025.

		Note	(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
			Rupees in '000	
6.	**BANK BALANCES**			
	In saving accounts	6.1	**106,284**	48,103

6.1 This represent bank accounts held with different banks. Mark-up rate on these accounts are from 0.1% (June 30, 2025: .1%) per annum.

7. INVESTMENTS

At fair value through profit and loss'			
- Listed equity securities		**495,858**	393,659

7.1 Listed equity securities

Name of the investee companies	Face value per share (Rupees)	As at 01 July 2025	Purchased during the year	Bonus / right share	Sold/ Disposed off	As at 30 September 2025	Balance as at 30 September 2025: Carrying cost	Balance as at 30 September 2025: Market value	Balance as at 30 September 2025: Appreciation/ (diminution)	Percentage in relation to: Market value as percentage of total investments	Percentage in relation to: Market value as percentage of net assets	Percentage in relation to: Paid up value of shares as a percentage of total paid up capital of the investee companies
		(Number of shares)					------ (Rupees in '000) -------			-------------- (%) --------------		
Fully paid ordinary shares (unless otherwise stated)												
Asset Allocation												
Javedan Corporation Limited		50,000	21,000	-	71,000	-	-	-	-	-	-	
							-	-	-	0%	0%	
Automobile Parts & Accessories												
Thal Limited		5,054	-	-	-	5,054	2,002	2,906	904	1%	1%	
							2,002	**2,906**	**904**	1%	1%	
Banks												
Faysal Bank Limited		195,551	-	-	195,551	-	-	-	-	0%	0%	
							-	-	-	0%	0%	
Cables & Electrical Goods												
Fast Cables Limited		1,075,000	-	-	75,000	1,000,000	24,860	24,510	(350)	5%	4%	
Pak Elektron Limited		600,000	1,477,456	-	677,456	1,400,000	70,492	79,352	8,860	16%	14%	
							95,352	**103,862**	**8,510**	**21%**	**19%**	
Cement												
Attock Cement Pakistan Limited		70,000	-	-	70,000	-	-	-	-	0%	0%	
D.G. Khan Cement Company Limited		-	50,000	-	50,000	-	-	-	-	0%	0%	
Fauji Cement Company Limited		-	150,000	-	-	150,000	8,923	9,158	235	2%	2%	
Maple Leaf Cement Factory Limited		50,000	275,000	-	325,000	-	-	-	-	0%	0%	
							8,923	**9,158**	**235**	**2%**	**2%**	
Chemicals												
Dynea Pakistan Limited		26,284	-	-	-	26,284	7,443	8,908	1,465	2%	2%	
							7,443	**8,908**	**1,465**	**2%**	**2%**	
Fertilizer												
Fatima Fertilizer Company Limited		150,000	-	-	54,669	95,331	9,477	12,223	**2,746**	2%	2%	
							9,477	**12,223**	**2,746**	**2%**	**2%**	
Foods & Personal Care Products												
Barkat Frisian Agro Limited		-	83,011	-	50,000	33,011	1,485	1,463	(22)	0%	0%	
Frieslandcampina Engro Pakistan Limited		140,000	10,000	-	-	150,000	13,080	13,251	171	3%	2%	
							14,565	**14,714**	**149**	**3%**	**3%**	
Glass & Ceramics												
Ghani Glass Limited		-	75,000	-	-	75,000	3,537	3,425	**(112)**	1%	1%	
Shabbir Tiles & Ceramics Limited		75,000	-	-	-	75,000	1,057	1,366	309	0%	0%	
							4,594	**4,791**	**198**	**1%**	**1%**	
Industrial Engineering												
Aisha Steel Mills Limited		600,000	100,000	-	700,000	-	-	-	-	0%	0%	
International Industries Limited		20,000	-	-	20,000	-	-	-	-	0%	0%	
Mughal Iron And Steel Industries Ltd		-	150,000	-	150,000	-	-	-	-	0%	0%	
							-	-	-	**0%**	**0%**	
Inv. Bank/Inv. Companies/Securities Co.												
Engro Holdings Limited (Formerly Dawood Hercules Corp. Ltd.)		255,000	140,000	-	170,000	225,000	43,973	58,347	14,374	12%	10%	
							43,973	**58,347**	**14,374**	**12%**	**10%**	
Modaraba												
Burj Clean Energy Modaraba		585,387	-	-	117,500	467,887	4,763	5,675	912	1%	1%	
							4,763	**5,675**	**912**	**1%**	**1%**	
Oil & Gas Exploration Companies												
Mari Energies Limited		-	10,000	-	10,000	-	-	-	-	0%	0%	
Oil & Gas Development Company Limited		90,000	125,000	-	115,000	100,000	23,838	27,723	3,885	6%	5%	
Pakistan Petroleum Limited		175,000	250,000	-	175,000	250,000	44,110	51,895	7,785	10%	9%	
							67,947	**79,618**	**11,671**	**16%**	**14%**	
Oil & Gas Marketing Companies												
Attock Petroleum Limited		19,436	-	-	19,436	-	-	-	-	0%	0%	
Pakistan State Oil Company Limited		10,000	30,000	-	20,000	20,000	9,060	9,449	389	2%	2%	
Sui Northern Gas Pipelines Limited		-	25,000	-	25,000	-	-	-	-	0%	0%	
Sui Southern Gas Company Limited		-	-	-	-	-	-	-	-	0%	0%	
							9,060	**9,449**	**389**	**2%**	**2%**	
Paper & Board												
Century Paper & Board Mills Limited		455,000	-	-	-	455,000	14,201	12,699	(1,502)	3%	2%	
							14,201	**12,699**	**(1,502)**	**3%**	**2%**	
Pharmaceuticals												
Abbott Laboratories (Pakistan) Limited		40,125	-	-	-	40,125	39,004	50,671	11,667	10%	9%	
Glaxosmithkline Pakistan Limited		5,000	-	-	4,948	52	20	23	3	0%	0%	
							39,024	**50,694**	**11,670**	**10%**	**9%**	
Power Generation & Distribution												
The Hub Power Company Limited		275,000	175,000	-	215,000	235,000	34,393	56,238	21,845	11%	10%	
K-Electric Limited		5,500,000	500,000	-	6,000,000	-	-	-	-	0%	0%	
							34,393	**56,238**	**21,845**	**11%**	**10%**	

Name of the investee companies	Face value per share (Rupees)	As at 01 July 2025	Purchased during the year	Bonus / right share	Sold/ Disposed off	As at 30 September 2025	Balance as at 30 September 2025			Percentage in relation to		
							Carrying cost	Market value	Appreciation/ (diminution)	Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee companies
		(Number of shares)					------ (Rupees in '000) -------			--------------- (%) ---------------		
Refinery												
Attock Refinery Limited		-	15,000	-	15,000	-	-	-	-	0%	0%	
							-	**-**	**-**	**0%**	**0%**	
Synthetic & Rayon												
Image Pakistan Limited		-	150,000	-	100,000	50,000	1,480	1,429	(51)	0%	0%	
							1,480	**1,429**	**(51)**	**0%**	**0%**	
Textile Composite												
Interloop Limited		125,000	50,000	-	175,000	-	-	-	-	0%	0%	
Nishat Mills Limited		-	425,000	-	75,000	350,000	49,884	58,048	8,163	12%	10%	
							49,884	**58,048**	**8,163**	**12%**	**10%**	
Vanaspati & Allied Industries												
Punjab Oil Mills Limited		33,000	-	-	-	33,000	7,261	7,099	(162)	1%	1%	
							7,261	**7,099**	**(162)**	**1%**	**1%**	
Total as at 30 September 2025							**414,341**	**495,858**	**81,518**	**100%**	**89%**	
Total as at 30 June 2025							**367,449**	**393,659**	**26,210**			

		Note	(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
			Rupees in '000	
7.2	**Net unrealised appreication / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'**			
	Market value of investments	7.1	**495,858**	393,659
	Carrying amount of investments	7.1	**(414,341)**	(367,449)
			81,518	26,210
8	**Dividend and Profit receivable on bank deposits**			
	Profit on bank balance		**10**	2
	Dividend Receivable		**847**	-
			857	2
9	**DEPOSITS AND PREPAYMENTS**			
	Security deposits with			
	- National Clearing Company of Pakistan Limited		**2,500**	2,500
	- Central Depository Company of Pakistan Limited		**100**	100
	Advances against IPO		**-**	-
	Prepaid Shairah Advisor fee		**96**	221
	Prepaid rating fee		**33**	41
	Prepaid listing fee		**4**	-
	Other receivable		**2,499**	
			5,232	**2,862**
10	**PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**			
	Management fee	10.1	**2,093**	2,278
	Sales tax on management fees	10.2	**337**	342
	Formation cost		**132**	132
	Sales Load		**330**	330
			2,892	3,082

10.1 During the period the Management Company has charged 3% (June 30, 2025: 2%) per annum management fee.

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

10.3 In accordance with Regulation 60 of the NBFC Regulations, 2008, the Management Company is entitled to charge fees and expenses for registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

'The Management Company has charged expenses at the rate of Nil (June 30, 2025: Nil) per annum of the average annual net assets of the Fund.

		Note	(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
11	**PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE**			
	Trustee fee	11.1	**312**	42
	Sindh Sales Tax	11.2	**47**	6
			359	48

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

The tariff structure applicable to the fund is as follows:

Net assets	Tariff per annum
Upto Rupees 1 billion	0.20% per annum of net assets
Over Rupees 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets, on amount exceeding Rupees. 1 billion

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

		Note	(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
			Rupees in '000	
12	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**			
	Annual fee payable to SECP	12.1	**34**	34

12.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme is required to pay as monthly fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.095% (June 30, 2025: 0.095%) of the average annual net assets of the scheme. The fee is payable monthly in arrears.

13 ACCRUED AND OTHER LIABLITIES

Brokerage payable	**6,839**	1,633
Auditors remuneration	**349**	287
Shariah advisory fee payable	**-**	-
Charity Payable	**9,187**	9,187
Credit Rating Fee Payable	**-**	-
Annual listing fee payable	**11**	-
Withholding Tax Payable	**977**	1,016
Capital gain tax payable	**2,221**	-
Legal and professional charges payable	**42**	-
Sales Load Payable	**2**	258
Others	**-**	15
	19,630	12,396

14 CONTINGENCIES AND COMMITMENTS

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

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2025 is 4.08% (2024: 4.04%) which includes 0.67% (2024: 0.48%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, Sales Taxes, Annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

16 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Management Company has intends to distribute cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

17.1 Transactions during the period

	(Un-Audited) Period ended September 30,	
	2025	**2024**
	(Rupees in '000)	
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**3,016**	1,088
Expenses allocated by the Management Company	**-**	326
Sindh Sales Tax on management remuneration	**452**	162
Sales Load	**330**	126
Issue of Nill units (2024: Nill)	**-**	-
Digital Custodian Company Limited - Trustee		
Trustee remuneration	**142**	65
Sindh Sales Tax on trustee remuneration	**21**	10
TPL Insurance Limited		
Redemption of units 361,818 (2024: nil)	**32,293**	-
Golden Arrow Stock Fund- Common Management Company		
Shares Sold by AKD Islamic Stock Fund to Golden Arrow Stock Fund	**19,532**	15,634
Shares Sold by AKD Islamic Stock Fund to Golden Arrow Stock Fund	**-**	5,301
Shares purchased by AKD Islamic Stock Fund from Golden Arrow Stock Fund	**-**	5,275
Shares purchased by AKD Islamic Stock Fund from Golden Arrow Stock Fund	**-**	10,393
MUHAMMAD IBRAHIM- Connected person due to more than 10% holding**		
Issue of 108,640 units (2024: 678,088)	**10,000**	39,835
Redemption of Nil units (2024: 688,048)	**-**	40,031

17.2 Balances outstanding at the period / year end

	(Un-Audited) 30-Sep-2025	(Audited) 30-Jun-2025
	Rupees in '000	
AKD Investment Management Limited - Management Company		
Remuneration payable	**2,093**	2,278
Sindh sales tax on management remuneration	**337**	342
Payable against formation cost	**132**	132
Sales load payable	**330**	330
Units Held 388,415 (2025: 388,415) Units	**51,810**	388
Digital Custodian Company Limited - Trustee		
Remuneration payable	**312**	42
Sales tax on trustee remuneration payable	**47**	6
AKD Securities Limited - Brokerage		
Brokerage Payable	11	17
Receivable / Payable against conversion of units		
Receivable against conversion of units - AKD Islamic Income Fund	**-**	-
Receivable against conversion of units - AKD Aggressive Income Fund	**-**	7,806
Muhammad Ibrahim		
Outstanding: 719,941 (2025: 611,301 Units)	**82,317**	54,559

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognized at fair value, based on:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

The fair values of all other financial assets and liabilities of the Fund approximate their carrying amounts due to nature of these instruments.

19. DATE OF AUTHORISATION FOR ISSUE

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

20. CORRESPONDING FIGURES

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

21. GENERAL

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

For AKD Investment Management Limited
(Management Company)

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