Quarterly Report
December 31, 2024
(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. Ali Wahab Siddiqi
Mr. Hasan Ahmed
Mr. Abid Hussain
Mr. Khalid Mehmood
Mr. Imran Motiwala

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

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

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

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

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

RATING
AKD Investment Management Limited AM3++ (AM Three Plus Plus) issued by PACRA

VISION

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

MISSION STATEMENT

» Keep primary focus on investing clients' interest

» Achieve highest standards of regulatory compliance and good governance

» Prioritize risk management while endeavouring to provide inflation adjusted returns on original investment

» Enable the investing public and clients to make AKDIML Funds a preferred part of their overall savings and investment management strategy

» Distinguish themselves and compete on the basis of unparalleled service quality while setting industry standards for professionalism, transparency and consistent leading performance

» Foster and encourage technical, professional, ethical development of human capital to provide our people the best opportunities and environment for their personal growth.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), Golden Arrow Stock Fund (GASF), AKD Index Tracker Fund (AKDITF), AKD Islamic Stock Fund (AKDISSF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), and AKD Islamic Daily Dividend Fund (AKDIDDF) is pleased to present its half yearly report along with the Funds' reviewed Financial Statements for the first half ended December 31, 2024.

FUNDS' FINANCIAL PERFORMANCE

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

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

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

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

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

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

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

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

Distribution for the first half ended December 31, 2024:

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

MACRO PERSPECTIVE

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

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

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

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

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

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

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

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

FIXED INCOME REVIEW

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

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

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

In the market for Shariah Compliant instruments, a total of three (6) auctions were held for GOP Ijara Sukuk through the Pakistan Stock Exchange. These auctions, covering Variable Rental Rate (VRR), Fixed Rental Rate (FRR), and Fixed Rate Discounted (FRD) instruments, successfully raised PKR 400.50 billion, against the target of PKR 500 billion.

Looking ahead to the auction target calendars for January through March 2025, the State Bank of Pakistan aims to raise PKR 2.20 trillion by issuing 3 to 12-month MTB against the maturing amount of PKR 3.446 trillion. Additionally, the SBP targets to raise PKR 1.050 billion through 2 to 15-year fixed-rate PIB whereas, PKR 2.000 trillion is targeted to be raised through 2 to 10-year floating-rate PIB. Moreover, the Pakistan Stock Exchange issued a notice announcing auctions for the sale of GOP Ijara Sukuk, with the target of raising PKR 425 billion in the one upcoming auction during January 2025.

FUTURE OUTLOOK

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

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

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

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

For and on behalf of the board

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

Karachi:

FUND INFORMATION

AKD Islamic 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
YPay Financial Services (Pvt.) Ltd.

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

DIGITAL CUSTODIAN COMPANY

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REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

AKD ISLAMIC STOCK FUND

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

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

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

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

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

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

   (iv) and any regulatory requirement.

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

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

DKL

ONLINE
+923-111-322-228
digitalcustodian.co
/ digitalcustodian

LAHORE
LSE Plaza, 508
Kashmir Egerton Road
+92 42 3630 4406

KARACHI
Perdesi House
Old Queens Road
+92 21 3241 9770

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

Disclosure of the steps

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

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

Trustee Opinion

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

Dabeer Khan
Manager Compliance
Digital Custodian Company Limited

Karachi: February 28, 2025

ONLINE
+923-111-322-228
digitalcustodian.co
/ digitalcustodian

LAHORE
LSE Plaza, 508
Kashmir Egerton Road
+92 42 3630 4406

KARACHI
Perdesi House
Old Queens Road
+92 21 3241 9770

Riaz Ahmad & Company
Chartered Accountants

AKD Investment Management Limited
AKD Islamic Stock Fund

Condensed Interim Financial Information

For The Six-Months Period Ended
31 December 2024

A member of
Nexia
International

Riaz Ahmad & Company
Chartered Accountants

Office No. 5, 20th Floor
Bahria Town Tower, Block 2
P.E.C.H.S., Karachi, Pakistan
T: +92 (21) 3431 08 26 - 7
racokhi@racopk.com
www.racopk.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of AKD Islamic Stock Fund

Report on review of Condensed Interim Financial Statements

Introduction

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

Scope of Review

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

Conclusion

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

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

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 10 MARCH 2025
UDIN: RR2024100457OC30RfPV

A member of Nexia International

Riaz Ahmad & Company
Chartered Accountants

Office No. 5, 20th Floor
Bahria Town Tower, Block 2
P.E.C.H.S., Karachi, Pakistan
T: +92 (21) 3431 08 26 - 7
racokhi@racopk.com
www.racopk.com

The Board of Directors
AKD Investment Management Limited
Management Company of AKD Islamic Stock Fund
2nd Floor Continental Trade Centre
Block 8, Clifton
KARACHI

28 February 2025
Our reference: AKDIML-ISF-01- 250

Dear Board Members

DRAFT CONDENSED INTERIM FINANCIAL STATEMENTS OF AKD ISLAMIC STOCK FUND FOR THE PERIOD ENDED 31 DECEMBER 2024

We are pleased to enclose four copies of the draft condensed interim financial statements of the AKD Islamic Stock Fund ("the Fund") for the six-months period ended 31 December 2024 duly initialled by us for identification purpose along with our draft auditors' review report to the unit holders. **We shall be pleased to sign our auditors' review report in its present or amended form after:**

- the enclosed condensed interim financial statements of the Fund have been approved by you and signed by the Chief Executive Officer, one Director nominated for this purpose and the Chief Financial Officer;

- we have seen your specific approval in respect of the following transactions / adjustments incorporated in the books of account:

	Rupees in 000's
- Remuneration charges of Management Company and related indirect taxes	**3,187**
- Remuneration charges of Trustees and related taxes	**185**
- Investment made during the period at cost	**363,214**
- Proceeds from sale of investments	**241,886**
- Proceeds on issuance of units	**582,255**
- Payment on redemption of units	**489,950**

- Transactions with connected persons / related parties (disclosed in note 15 to the financial statements)

- we have received copy of other information (including trustee's report) and Shariah Compliance Certificate to be printed with the condensed interim financial statements of the Fund;

- we have seen the minutes of the meeting of the Board of Directors where the condensed interim financial statements of the Fund are placed for approval; and

- we have received the management representation letter duly signed by the Chief Executive Officer and Chief Financial Officer of the Management Company, on the lines of the draft being provided to the management.

We take this opportunity to draw your attention to the following accounting and related matters in addition to those covered in our auditors' review report to the unit holders:

02. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

02.1 We have conducted the review of the condensed interim financial statements of the respective Funds in accordance with the International Standard on Review Engagements 2410. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review. The responsibility for preparation and presentation of condensed interim financial statements in accordance with the approved accounting standards is primarily that of the Management Company. This includes maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the respective Funds and prevention and detection of frauds and irregularities. The review of the condensed interim financial statements does not relieve the management of its responsibilities.

02.2 We inform the Board that unless we have signed the review report to the unit holders on the condensed interim financial statements, the same shall not be deemed to have been reviewed by us.

03. CONTINGENCIES AND COMMITMENTS

03.1 We have been informed by the management that there were no contingencies and commitments as at the reporting date.

04. INDEPENDENCE

04.1 Listed in **Annex "A"** are Riaz Ahmad & Company's key firm-wide policies and processes to maintain independence and objectivity.

04.2 We confirm that in our professional judgment, the Firm is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff has not been compromised.

05. TRANSACTIONS WITH RELATED PARTIES

05.1 We have been informed by the management that there were no significant transactions with related parties other than those disclosed in note 15 in the condensed interim financial statements.

06. FRAUD

06.1 We have been informed by the management that there were no instances or allegations of fraud which they are aware of.

07. SUBSEQUENT EVENTS

07.1 We have been informed by the management that there were no subsequent events other than those disclosed in the condensed interim financial statements.

08. ROLE OF ENGAGEMENT PARTNER

08.1 Name of the Engagement Partner: Junaid Ashraf

08.2 The partner in charge of the engagement has overall responsibility for:

- The review engagement and its performance;
- The auditors' review report that is issued on behalf of the firm; and
- The overall quality on the review engagement.

09. GENERAL

09.1 Finally, we wish to place on record our appreciation for the courtesy and co-operation extended to us by the management in accomplishing our task.

Very truly yours,

ANNEX "A"

RIAZ AHMAD & COMPANY
Chartered Accountants

FIRM-WIDE POLICIES AND PROCESSES TO MAINTAIN INDEPENDENCE AND OBJECTIVITY

Riaz Ahmad & Company (RACO) has policies and procedures that instill professional values as part of Firm culture and ensures the highest standards of objectivity, independence and integrity are maintained. Listed below are some of the key policies and processes in place within RACO for maintaining objectivity and independence:

Financial interests	Our partners and client facing (technical) staff are prohibited from investing in any audit client. Our partners and staff are required to confirm their compliance each year with our Firm's independence policies.
Training	Our partners and staff are required to undergo regular mandatory training on our independence and ethical policies and processes.
Consultation	The Firm requires that the audit team consult with a panel of experienced partners on complex accounting and auditing matters.
Non-audit services	Our audit engagement partners must approve any non-audit services offered to their clients. This allows them to: • ensure the objectives of the proposed engagement are not inconsistent with the objectives of the audit of the financial statements; • identify and assess any related threats to our objectivity; and • assess the effectiveness of available safeguards to eliminate such threats or reduce them to an acceptable level. Where no satisfactory safeguards exist we do not carry out the non-audit service.
Ethics	Our code of conduct provides an ethical framework on which we base our decisions and our actions-as individuals and as members of our organization.

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

	Note	(Unaudited) 31 December 2024	(Audited) 30 June 2024
		------- (Rupees in '000) -------	
ASSETS			
Bank balances	5	**19,423**	17,689
Investments	6	**451,779**	213,730
Profit receivable on bank deposits		**324**	424
Advances,deposits,prepayments and other receivables	7	**2,648**	5,099
Receivable against sale of securities		**99**	-
Receivable against redemption / conversion of units		**97**	2,711
Total assets		**474,370**	239,653
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	8.1	**1,209**	648
Payable to Digital Custodian Company Limited - Trustee	8.2	**53**	25
Payable to the Securities and Exchange Commission of Pakistan	9.1	**36**	17
Dividend payable		**9**	231
Accrued expenses and other liabilities	11	**14,740**	2,117
Payable against purchase of securities		**5,600**	7,403
Payable against redemption / conversion of units		**6,967**	-
Total liabilities		**28,614**	10,441
NET ASSETS		**445,756**	229,212
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**445,756**	229,212
CONTINGENCIES AND COMMITMENTS	13		
		----- (Number of units) ------	
NUMBER OF UNITS IN ISSUE	14	**5,147,862**	3,898,539
		---------- (Rupees) -----------	
NET ASSET VALUE PER UNIT		**86.5905**	58.7944

The annexed notes from 1 to 18 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 STOCK FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2024

	Note	Six-Months Period Ended 31 December		Three-Months Period Ended 31 December	
		2024	2023	2024	2023
		(Rupees in '000)			
INCOME					
Capital gain on sale of investments classified as 'at fair value through profit or loss		**49,542**	27,068	**68,890**	22,958
Net un-realised appreciation on re-measurement of investments classified 'at fair value through profit or loss	6.2	**61,739**	46,280	**67,503**	33,069
Dividend income		**24,973**	8,612	**5,083**	4,155
Profit on bank deposits		**1,001**	1,099	**329**	788
Total income		**137,255**	83,059	**141,805**	60,970
EXPENSES					
Remuneration of AKD Investment Management Limited - Management Company	8	**2,774**	1,502	**1,686**	862
Sindh sales tax on remuneration of the Management Company	8.2	**413**	195	**251**	112
Expenses allocated by the Management Company	8.3	**835**	451	**509**	259
Remuneration of Digital Custodian Company Limited - Trustee	9.1	**162**	90	**97**	52
Sindh sales tax on remuneration of Trustee	9.2	**23**	12	**13**	7
Annual fee to Securities and Exchange Commission of Pakistan	10.1	**122**	71	**70**	41
Securities transaction costs		**873**	459	**591**	377
Auditor's remuneration		**126**	126	**63**	63
Settlement and bank charges		**4**	17	**4**	15
Fee and subscription		**375**	382	**272**	200
Legal and professional charges		**119**	109	**65**	49
Charity		**7,190**	222	**7,190**	204
Total expenses		**13,016**	3,636	**10,811**	2,241
Net income for the period before taxation		**124,239**	79,423	**130,994**	58,729
Taxation	14	**-**	-	**-**	-
Net income for the period after taxation		**124,239**	79,423	**130,994**	58,729
Allocation of net income for the period					
Net income for the period after taxation		**124,239**	79,423	**130,994**	58,729
Income already paid on units redeemed		**(69,499)**	(20,474)	**(69,707)**	(20,474)
		54,740	58,949	**61,287**	38,255
Accounting income available for distribution:					
Relating to capital gains		**49,542**	58,949	**61,287**	38,255
Excluding capital gains		**-**	-	**-**	-
		54,740	58,949	**61,287**	38,255

The annexed notes from 1 to 18 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 STOCK FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2024

	Six-Months Period Ended 31 December		Three-Months Period Ended 31 December	
	2024	2023	2024	2023
	(Rupees in '000)			
Net income for the period after taxation	**124,239**	79,423	**130,994**	58,729
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**124,239**	79,423	**130,994**	58,729

The annexed notes from 1 to 18 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 STOCK FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2024

	Note	Six-Months Period Ended 31 December 2024	Six-Months Period Ended 31 December 2023	Three-Months Period Ended 31 December 2024	Three-Months Period Ended 31 December 2023
		(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation		**124,239**	79,423	**130,994**	58,729
Adjustments for non cash and other items:					
Dividend income		**(24,973)**	(8,612)	**(24,973)**	(4,155)
Net unrealised appreciation on remeasurement of investments 'at fair value through profit or loss'		**(61,739)**	(46,280)	**(87,201)**	(33,069)
		37,527	24,531	**18,820**	21,505
(Increase) / decrease in assets					
Profit receivable on bank deposits		**100**	(326)	**21,864**	(254)
Receivable against sale of securities		**(99)**	8,035	**10,618**	-
Advances,deposits,prepayments and other receivables		**2,451**	28	**2,130**	102
Net (increase) / decrease in assets		**2,452**	7,737	**34,612**	(152)
(Decrease) / increase in liabilities					
Payable to AKD Investment Management Limited - Management Company		**561**	273	**(2,148)**	277
Payable to Digital Custodian Company Limited - Trustee		**28**	11	**(94)**	7
Payable to the Securities and Exchange Commission of Pakistan		**19**	(21)	**(48)**	8
Payable against purchase of securities		**(1,803)**	(8,477)	**2,694**	-
Accrued expenses and other liabilities		**12,623**	1,887	**2,111**	1,746
Net (decrease) / increase in liabilities		**11,428**	(6,327)	**2,515**	2,038
Dividend received		**24,973**	8,612	**24,973**	4,155
Dividend paid		**(222)**	-	**-**	-
Investments - net		**(176,310)**	(38,493)	**(156,581)**	(40,864)
Net (cash used in) operating activities		**(100,152)**	(3,940)	**(75,661)**	(13,318)
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		**584,869**	262,237	**458,830**	180,178
Payment against redemption of units		**(482,983)**	(249,494)	**(365,309)**	(158,579)
Net cash generated from financing activities		**101,886**	12,743	**93,521**	21,599
Net increase / (decrease) in cash and cash equivalents		**1,734**	8,803	**17,860**	8,281
Cash and cash equivalents at beginning of the period		**17,689**	989	**1,563**	1,511
Cash and cash equivalents at end of the period	5	**19,423**	9,792	**19,423**	9,792

The annexed notes from 1 to 18 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 STOCK FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024

	Six-Months Period Ended 31 December 2024			Six-Months Period Ended 31 December 2023		
	Capital value	Accumulated profit/(loss)	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)					
Net assets at the beginning of the period	**309,834**	**(80,622)**	**229,212**	251,306	(146,442)	104,864
Issuance of 8,069,590 (2023: 6,038,769) units						
- Capital value (at ex-net asset value per unit at the beginning of period)	**474,447**	**-**	**474,447**	200,621	-	200,621
- Element of income	**107,808**	**-**	**107,808**	77,684	-	77,684
Total proceeds on issuance of units	**582,255**	**-**	**582,255**	278,305	-	278,305
Redemption of 6,820,267 (2023: 5,854,027) units						
- Capital value (at ex-net asset value per unit at the beginning of period)	**(400,993)**	**-**	**(400,993)**	(194,484)	-	(194,484)
- Element of (loss)	**(19,458)**	**(69,499)**	**(88,957)**	(56,351)	(20,474)	(76,825)
Total payments on redemption of units	**(420,451)**	**(69,499)**	**(489,950)**	(250,835)	(20,474)	(271,309)
Total comprehensive income for the period	**-**	**124,239**	**124,239**	-	79,423	79,423
Net assets at the end of the period	**471,638**	**(25,882)**	**445,756**	278,776	(87,493)	191,283
Accumulated loss brought forward						
- Realised loss		**(115,719)**			(115,622)	
- Unrealized income / (loss)		**35,097**			(30,820)	
		(80,622)			(146,442)	
Accounting income available for distribution						
- Relating to capital gains		**111,281**			58,949	
- Excluding capital gains		**(56,541)**			-	
		54,740			58,949	
Accumulated profit carried forward		**(25,882)**			(87,493)	
Accumulated profit carried forward						
- Realised loss		**(87,621)**			(133,773)	
- Unrealised loss		**61,739**			46,280	
		(25,882)			(87,493)	
			(Rupees)			**(Rupees)**
Net assets value per unit at the beginning of the period			**58.7944**			**33.2222**
Net assets value per unit at the end of the period			**86.5905**			**57.2504**

The annexed notes from 1 to 18 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 STOCK FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Islamic Stock 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 (DCCL) 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 (PSX).

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

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

The Pakistan Credit Rating Company Limited (PACRA) has assigned asset manager rating of 'AM3++' to the Management Company dated 27 June 2024. PACRA has also assigned long term / short term performance ranking of the Fund "2-star / 4-star" as on 15 August 2024.

The Fund is 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 These condensed interim financial statements have 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 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 part VIII A of the repealed Companies Ordinance 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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 IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulation and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the IAS-34 'Interim Financial Reporting'. This 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 audited financial statements of the Fund for the year ended 30 June 2024.

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

2.2 Basis of measurement

These condensed financial statements have been prepared under the historical cost convention, except that investments are measured at fair value.

2.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Fund and have 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 these condensed interim financial statements are same as those applied in preparation of audited financial statements of the Fund as at and for the year ended 30 June 2024.

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

4.1 The preparation of this condensed interim financial statement in conformity with accounting and reporting standards 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 statement, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended 30 June 2024

4.2 There are certain amended standards and interpretations on approved 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 are therefore not disclosed in this condensed interim financial statement.

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

		Note	(Unaudited) 31 December 2024	(Audited) 30 June 2024
			-------- (Rupees in '000) --------	
5.	**BANK BALANCES**			
	Savings accounts	5.1	**19,423**	17,689

5.1 The balance in savings accounts carry profit at rates of 3% (30 June 2024 : 19%) per annum

6. INVESTMENTS

Fair value through profit or loss

Listed equity securities	6.1	**451,779**	213,730

6.1 Listed equity securities

Name of the investee company	Face value per share (Rupees)	(Number of shares)					Balance as at 31 December 2024			Percentage in relation to		
		As at 01 July 2024	Purchased during the period	Bonus / right share	Sold/ Disposed	As at 31 December 2024	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 company
							----------- (Rupees in '000)	--------		------------------- (%)		------------------
Fully paid ordinary shares (unless otherwise stated)												
Automobile Assembler												
Ghandhara Nissan Limited	10	999	-	-	-	999	175	295	120	0.07	0.07	0.00
Millat Tractors Limited	10	-	5,000	-	-	5,000	3,094	3,106	12	0.69	0.70	0.00
							3,269	**3,401**	**132**			
Automobile Parts & Accessories												
Thal Limited	5	5,054	-	-	-	5,054	2,443	2,086	(357)	0.46	0.47	0.01
							2,443	**2,086**	**(357)**			
Cable & Electrical Goods												
Fast Cables Limited	10	-	500,000	-	-	500,000	12,251	12,505	254	2.77	2.81	0.08
Pakistan Cables Limited	10	39,105	-	-	39,105	-	-	-	-	-	-	-
							12,251	**12,505**	**254**			
Asset Allocation												
Javedan Corporation limited	10	-	200,000	-	-	200,000	10,599	11,974	1,375	2.65	2.69	0.05
							10,599	**11,974**	**1,375**			
Commercial Banks												
Faysal Bank Limited	10	400,000	100,000	-	-	500,000	21,001	19,392	(1,609)	4.29	4.35	0.03
Engro Holdings Limited(Formely Dawood Hercules Corporation Limited)	10	125,000	-	-	125,000	-	-	-	-	-	-	-
							21,001	**19,392**	**(1,609)**			
Engineering												
International Steels Limited	10	95,000	-	-	45,000	50,000	4,228	4,818	591	1.07	1.08	0.01
International Industries Limited	10	30,000	-	-	-	30,000	5,871	5,349	(523)	1.18	1.20	0.02
							10,099	**10,167**	**68**			
Fertilizers												
Fauji Fertilizer Bin Qasim Limited	10	85,000	250,000	-	335,000	-	-	-	-	-	-	-
Engro Corporation Limited	10	-	100,000	-	-	100,000	43,242	44,528	1,286	9.86	9.99	0.02
Fatima Fertilizer Company Limited	10	-	250,000	-	-	250,000	14,000	19,570	5,570	4.33	4.39	0.01
Fauji Fertilizer Company Limited	10	-	46,620	-	-	46,620	17,788	17,078	(710)	3.78	3.83	0.00
							75,030	**81,176**	**6,146**			

Name of the investee company	Face value per share (Rupees)	(Number of shares)					Balance as at 31 December 2024			Percentage in relation to		
		As at 01 July 2024	Purchased during the period	Bonus / right share	Sold/ Disposed	As at 31 December 2024	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 company
							----------- (Rupees in '000) --------			--------------------- (%) ------------------		
Fully paid ordinary shares (unless otherwise stated)												
Food & Personal Care Products												
Al Shaheer Corporation Limited	10	-	-	-	-	-	-	-	-	-	-	-
Frieslandcampina Engro Pakistan Limited	10	24,001	164,938	-	-	188,939	16,357	16,863	506	3.73	3.78	0.02
At-Tahur Limited	10	82,258	-	-	82,258	-	-	-	-	-	-	-
							16,357	16,863	506			
Miscellenous												
Pakistan Aluminium Beverage Cans	10	-	21,746	-	21,746	-	-	-	-	-	-	-
Pakistan Hotels Developers Limited	10	-	25,000	-	25,000	-	-	-	-	-	-	-
							-	-	-			
Modarabas												
Burj Clean Energy Modaraba	10	-	585,387	-	-	585,387	5,854	4,683	(1,171)	1.04	1.05	0.59
							5,854	4,683	(1,171)			
Oil & Gas Exploration Companies												
Oil & Gas Development Company Limited	10	135,000	75,000	-	210,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	10	135,000	75,000	-	210,000	-	-	-	-	-	-	-
							-	-	-			
Oil & Gas Marketing Companies												
Pakistan State Oil Company Limited	10	135,000	15,000	-	150,000	-	-	-	-	-	-	-
Attock Petroleum Limited (6.1.1)	10	75,000	-	-	-	75,000	28,968	41,583	12,615	9	9	0
Sui Northern Gas Pipelines Limited	10		-	-	-	-	-	-	-	-	-	-
							28,968	41,583	12,615			
Cement												
Attock Cement Pakistan Limited	10	-	96,688	-	-	96,688	22,330	26,095	3,766	6	6	0
Maple Leaf Cement Factory Limited	10	-	150,000	-	-	150,000	7,144	6,891	(253)	2	2	0
Power Cement Limited	10	-	1,250,000	-	250,000	1,000,000	8,016	9,050	1,034	2	2	0
							37,489	42,036	4,547			
Chemicals												
Dynea Pakistan Limited	5	-	26,284	-	-	26,284	6,042	5,858	(184)	1.30	1.31	0.14
							6,042	5,858	(184)			
Pharmaceuticals												
Glaxosmithkline Pakistan Limited	10	40,000	-	-	-	40,000	5,754	15,876	10,123	4	4	0
Abbott Laboratories (Pakistan) Limited	10	-	29,795	-	-	29,795	22,710	36,882	14,172	8	8	0
Ferozsons Laboratories Limited	10	-	70,000	-	-	70,000	24,006	23,475	(532)	5	5	0
							52,470	76,233	23,763			

Name of the investee company	Face value per share (Rupees)	(Number of shares)					Balance as at 31 December 2024			Percentage in relation to		
		As at 01 July 2024	Purchased during the period	Bonus / right share	Sold/ Disposed	As at 31 December 2024	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 company
							----------- (Rupees in '000) --------			-------------------- (%) ------------------		
Fully paid ordinary shares (unless otherwise stated)												
Paper and Board												
Pakistan Paper Products Limited	10	666	-	-	666	-	-	-	-	-	-	-
Century Paper & Board Mills Limited	10	-	500,000	-	-	500,000	17,022	16,480	(542)	3.65	3.70	0.12
							17,022	**16,480**	**(542)**			
Power Generation & Distribution												
The Hub Power Company Limited (6.1.2)	10	150,000	727,363	-	250,000	627,363	72,242	82,116	9,874	18.18	18.42	0.05
K-Electric Limited	3.5	-	2,100,000	-	-	2,100,000	9,725	11,760	2,035	2.60	2.64	0.01
							81,967	**93,876**	**11,909**			
Refinery												
Cnergyico PK Limited	10	-	-	-	-	-	-	-	-	-	-	-
National Refinery Limited	10	-	-	-	-	-	-	-	-	-	-	-
Attock Refinery Limited	10	-	20,000	-	20,000	-	-	-	-	-	-	-
							-	**-**	**-**			
Synthetics & Rayon												
Pakistan Synthetics Limited	10	65,250	-	-	5,002	60,248	1,308	2,519	1,211	0.56	0.57	0.04
							1,308	**2,519**	**1,211**			
Glass & Ceramics												
Shabbir Tiles & Ceramics Limited	5	-	140,326	-	-	140,326	1,917	2,258	341	0.50	0.51	0.06
							1,917	**2,258**	**341**			
Textile Composite												
Interloop Limited	10	73,500	-	-	73,500	-	-	-	-	-	-	-
							-	**-**	**-**			
Textile Spinning												
Tata Textile Mills Limited	10	249,500	-	-	249,500	-	-	-	-	-	-	-
							-	**-**	**-**			
Vanaspati & Allied Industries												
Punjab Oil Mills Limited	10	53,928	-	-	-	53,928	5,955	8,690	2,736	1.92	1.95	0.69
							5,955	**8,690**	**2,736**			
Total as at 31 December 2024							**390,040**	**451,779**	**61,739**			
Total as at 30 June 2024							178,633	213,730	35,097			

6.1.1 This includes 60,000 shares of Attock Petroleum Limited(APL) having market value of Rs. 33.266 million , which have been pledged with National Clearing Company of Pakistan Limited (NCCPL) , for gauranteeing settlement of the Fund's trades accordance with Circular No. 11 dated 23 October 2007 issued by the SECP.

6.1.2 The exposure limit of investment in The Hub Power Company Limted as a percentage of net assets exceeds by 3.42%. The prescribed limit is 15% of the total net assets as per Section 55(6) of the NBFC Regulations, 2008.

		Note	(Unaudited) 31 December 2024	(Audited) 30 June 2024
			-------- (Rupees in '000) --------	
6.2	**NET UNREALISED APPRECIATION ON RE-MEASUREMENT OF INVESTMENT CLASSIFIED AT 'FAIR VALUE THROUGH PROFIT OR LOSS**			
	Market value of investments	6.1	**451,779**	213,730
	Carrying amount of investments	6.1	**(390,040)**	(178,633)
			61,739	35,097
7.	**ADVANCES,DEPOSITS,PREPAYMENTS AND OTHER RECEIVABLES**			
	Advance against IPO		-	2,350
	Security deposit with			
	- National Clearing Company of Pakistan Limited		**2,500**	2,500
	- Central Depository Company of Pakistan Limited		**100**	100
	Other Receivables		-	-
	Prepaid listing fee		**16**	-
	Prepaid shariah advisor fee		**32**	149
			2,648	5,099
8.	**PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**			
	Management fee	8.1	**768**	361
	Sindh sales tax on management fee	8.2	**115**	47
	Expenses allocated by the Management Company	8.3	**230**	108
	Formation cost liability		-	132
	Sales load payable		**96**	-
			1,209	648

8.1 The Management Company charged remuneration at the rate of 2% (30 June 2024: 2%) per annum of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

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

8.3 The Management Company has charged expenses at the rate of 0.6% (30 June 2024: 0.6%) per annum of the daily average annual net assets of the Fund.

9. **PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE**

	Note	31 December 2024	30 June 2024
Trustee fee	9.1	**46**	22
Sindh sales tax on Trustee fee	9.2	**7**	3
		53	25

9.1 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 the amount exceeding Rs. 1
Net assets exceeding Rs. 5 billion	Rs. 3.8 million plus 0.06% per annum of the daily average net assets of the Fund exceeding Rs. 5 billion.

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

	Note	(Unaudited) 31 December 2024	(Audited) 30 June 2024
		-------- (Rupees in '000) --------	
10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable to SECP	10.1	**36**	17

10.1 All Collective Investment Schemes are required to pay annual fee at an amount equal to 0.095% (30 June 2024: 0.095%) of the daily average annual net assets of the scheme. The fee is payable annually in arrears.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

Securities transaction costs payable	**1,989**	440
Auditor's remuneration	**178**	314
Charity payable	**7,729**	540
Credit rating fee payable	**206**	132
Withholding tax payable	**4,341**	503
Others	**297**	188
	14,740	2,117

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2024 and 30 June 2024

13. TOTAL EXPENSE RATIO

The total expense ratio of the Fund is 4.17% (31 December 2023: 4.38%) excluding 0.41% (31 December 2023: 0.46%) representing Government levy and SECP fee. This ratio is within the maximum limit of 4.5% (31 December 2023: 4.5%) prescribed under the NBFC Regulations for collective investment scheme categories as a "Shariah Compliant Equity Scheme".

14. 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 unrealised 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. Further, 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.

15. 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, AKD Securities Limited, directors, officers, key management personnel, other associated undertakings and unit holders holding more than 10% units 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.

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.

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)	(Unaudited)
	31 December	
	2024	2023
Transactions during the period	------ (Rupees in '000) -------	
AKD Investment Management Limited - Management Company		1,502
Remuneration to Management Company	**2,774**	451
Expenses allocated by the Management Company	**835**	27
Sindh sales tax on management remuneration	**413**	53
Sales load	**96**	-
Digital Custodian Company Limited - Trustee		
Trustee fee	**162**	90
Sindh sales tax on trustee fee	**23**	27
AKD Securities Limited		
Brokerage expense	**140**	76
AKD Opportunity Fund		
Shares purchased by AKD Opportunity Fund from AKD Islamic Stock Fund	-	1,380
Shares purchased by AKD Opportunity Fund from AKD Islamic Stock Fund	-	2,101
Shares purchased by AKD Islamic Stock Fund from AKD Opportunity Fund	-	4,060
Shares purchased by AKD Islamic Stock Fund from AKD Opportunity Fund	-	3,540
Shares purchased by AKD Islamic Stock Fund from AKD Opportunity Fund	-	608
Golden Arrow Stock Fund		
Shares purchased by Golden Arrow Stock Fund from AKD Islamic Stock Fund	-	2,880
Shares purchased by AKD Islamic Stock Fund from Golden Arrow Stock Fund	-	9,057
Hina Aqeel - Close Family member of the Chairman of the Group		
Redemption of 76,392 units (31 December 2023: Nil units)	**4,978**	-
Connected person due to more than 10% holding		
Askari General Insurance Co. Ltd.		
Issue of 1,567,199 units (31 December 2023: Nil units)	**125,000**	-
Redemption of 999,968 units (31 December 2023: units)	**81,912**	-

	(Unaudited) 31 December 2024	(Audited) 30 June 2024
	------ (Rupees in '000) -------	
Balances outstanding at the period / year end		
AKD Investment Management Limited - Management Company		
Remuneration payable	**768**	361
Sindh sales tax on management remuneration	**115**	47
Expenses allocated by the management company	**230**	108
Payable against formation cost	**-**	132
Sales load payable	**96**	-
Digital Custodian company Limitd - Trustee		
Remuneration payable	**46**	22
Sales tax on trustee remuneration payable	**7**	3
AKD Securities Limited		
Brokerage Payable	**183**	10
Receivable / Payable against conversion of Units		
Receivable against sale / Conversion of units - AKD Aggressive Income Fund	**-**	2,711
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Outstanding 214,054 (30 June 2024: 214,054 Units)	**18,535**	12,585
Hina Aqeel - Close Family member of the Chairman of the Group		
Outstanding Nil Units (30 June 2024: 76,392 Units)	**-**	4,491
Connected person due to more than 10% holding		
TPL Insurance Limited		
Outstanding 911,550 Units (30 June 2024: 911,550 units)	**78,932**	27,903
Askari General Insurance Co. Ltd.		
Outstanding 622,517 Units (30 June 2024: Nil units)	**53,904**	-

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. 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 recognised at fair value based on:

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

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

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

		(Unaudited) As at 31 December 2024			
		Level 1	**Level 2**	**Level 3**	**Total**
	Note	------------------ (Rupees in '000) -----------------			
Investments in securities- at fair value through profit or loss					
Listed equity securities	**6.**	**451,779**	**-**	**-**	**451,779**

		(Audited) As at 30 June 2024			
		Level 1	**Level 2**	**Level 3**	**Total**
		------------------ (Rupees in '000) -----------------			
Investments in securities- at fair value through profit or loss					
Listed equity securities		213,730	-	-	213,730

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

17. GENERAL

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

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

18. DATE OF AUTHORISATION FOR ISSUE

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

For AKD Investment Management Limited
(Management Company)

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