Shariah Compliance Report

For the year ended June 30, 2026

EDGE AL-AMIN SHARIAH CONSUMER FUND

1. Executive Summary

This report outlines the Shariah compliance status of the EDGE Al-Amin Shariah Consumer Fund (the "Fund") for the financial year ended June 30, 2026. The Shariah Advisory Committee (SAC) has conducted a comprehensive review of the Fund's investments, operations, and income sources.

Based on our review, we are of the opinion that the Fund has been managed in substantial compliance with the principles of Shariah and the guidelines set by the SAC.

Key highlights:

Total Fund Assets: BDT 138,640,388
Shariah Compliance Status: Compliant with minor observations
Purification Amount Identified (based on dividend income): BDT 242,460
Shariah Advisory Committee (SAC) meeting last held: May 03, 2026
No of SAC Meetings held in the year: 4 (Four)
Total number of meetings held since inception: 16 (Sixteen)

2. Shariah Governance Framework

The Fund operates under the guidance of its Shariah Advisory Committee (SAC). The SAC is responsible for approving Shariah investment guidelines, reviewing investment activities, and issuing the annual Shariah compliance report.

SAC Members:

1. Professor Dr. Md. Sadiqul Islam
2. Mufti Abdullah Al Masum (CSAA)
3. Mufti Zubair Abdullah (CSAA)

2.1. Roles and Responsibilities of the SAC:

The primary responsibilities of the SAC include:

- Approving the Shariah investment guidelines and screening criteria.
- Conducting periodic reviews of the Fund's portfolio to ensure ongoing compliance.
- Advising the Fund Manager on Shariah matters.
- Reviewing and approving the annual Shariah compliance report.

3. Review Methodology

The SAC conducted its review through:

- Examination of the Fund's investment portfolio.
- Review of audited financial statements and income sources.
- Ongoing monitoring of transactions, deposits, and money market instruments.
- Verification of screening criteria (business activities and financial ratios) based on AAOIFI and international best practices and what is developed by SAC.

4. Investment Screening and Portfolio Compliance

4.1 Business Activity Screening

The Fund refrains from investing in companies whose primary business involves:

- Conventional financial services (banking, insurance, leasing).
- Alcohol, gambling, pork, tobacco, and impermissible entertainment (e.g., pornography).
- Other activities deemed inconsistent with Shariah principles.

Status: Our review confirms that all portfolio companies complied with the business activity screening criteria throughout the reporting period.

4.2 Financial Ratio Screening

The following financial ratios were applied to all potential and existing investments, based on "Market Capitalization / Total Assets":

- **Leverage Compliance:** Interest-bearing Debt / Market Cap (Avg of 36 Months) must be less than 25%.
- **Cash Compliance:**
  i. Accounts Receivable / Market Cap (Avg of 36 Months) must be less than 49%.
  ii. (Cash + interest-bearing securities) / Market Cap (Avg of 36 Months) must be less than 30%
- **Share from non-compliant activities:**
  i. Income base: Total non-permissible income including interest income should not exceed 5% of total revenue.
  ii. Asset based: Total non-permissible income including interest income should not exceed 15% of Total Assets

Status: Our review confirms that, while the majority of investee companies remained compliant with the prescribed financial thresholds during the investment period, **Marico Bangladesh Limited** and **Square Pharmaceuticals PLC** breached certain financial screening ratios. A detailed summary of these breaches and their current compliance statuses is outlined below:

- **Marico Bangladesh Limited:** Previously breached the "(Non-permissible income including interest income)/revenue <5%" ratio during the period from June'2025 to September'2025 and remained under observation for two quarters. Following operational and financial realignments, the company successfully restored its financial metrics to meet all required Shariah thresholds as of the December'2025 quarter. Based on the December'2025 quarter calculation, the company was officially reinstated as Shariah-compliant and eligible for investment effective from the December 2025 quarter.
- **Square Pharmaceuticals PLC:** Breached the "(Cash + interest-bearing securities)/mcap (36m<30%)" ratio during the period from December'2024 and remained non-compliant throughout an observation period of 1.25 years. Consequently, during the 16th Shariah Advisory Committee (SAC) meeting held on May 03, 2026, committee members officially reclassified Square Pharmaceuticals as Shariah Non-Compliant. Although the company's core business operations remain Halal, its financial ratios no longer meet screening standards.

To safeguard investor interests and prevent adverse market impacts, no new purchases of this stock are permitted. A six-month grace period ending in December 2026 has been granted for a gradual, strategic divestment to optimize capital gains. Detailed procedures for liquidating non-compliant securities are currently being formalized within the Shariah Charter and will be published on the official website for transparency.

5. Breakdown of Total Fund Assets

Breakdown of Total Fund Assets	BDT
Capital Market Investments	59,586,315
Investment in money market securities & Deposits	75,390,958
Profit receivables from Mudaraba Term Deposit (MTD)	224,770
Profit receivables from Islami Sukuk	1,077,361
Receivables for Sale of Securities	32,138
Dividend receivables	425,000
Preliminary and issue expenses	1,766,630
Advance CDBL fees	8,444
Advance BSEC Fee	128,772
Total Fund Assets	**138,640,388**

6. Investments Overview

Capital Market Investments: Total BDT 59,586,315

Company name	Market value
The IBN SINA Pharmaceutical Industry Ltd.	14,093,721
Square Pharmaceuticals Limited**	2,105,600
Marico Bangladesh Limited	21,061,120
Beximco Pharmaceuticals Limited	22,325,874
Total investments in listed securities	**59,586,315**

***Following this reclassification, **no new purchases** of Square Pharmaceuticals stock were made. Demonstrating this active liquidation, the Fund reduced its existing holding from **108,000 shares** in March 2026 to **9,400 shares** by June 2026. The formal liquidation procedures for non-compliant assets will be published in the Shariah Charter on our official website for full transparency.*

IPO Participation:

There were no IPOs carried out during the fiscal year ended in June 2026; hence, no investment was made in IPO.

Money Market & Deposits:

Investments were made only with Shariah-compliant sukuks, Mudaraba Term Deposit (MTD), banks and Islamic banking windows.

Investment in money market securities & Deposits	Investment value
Sukuk at Cost price	
CDWSP Social Impact Sukuk ISIN: BDS092901051	2,622,978
RDIRWSP Socio-Economic Sukuk ISIN: BDS093202072	10,000,000
IRIDPNFL Socio-Economic Sukuk ISIN: BDS093302072	17,000,000
CIBRR-1 Socio-Economic Sukuk ISIN: BDS093303072	23,000,000
MTD at Cost Price	
DBH Finance PLC -07, MTD No: 271001028	9,700,000
Cash at Bank	
Midland Bank Limited - Saalam Express Corporate	4,364,101
Midland Bank Limited - Saalam Express Corporate	4,878
Midland Bank Limited - Saalam Express Corporate	28,818
Midland Bank Limited - Saalam Express Corporate	3,400
Shahjalal Islami Bank Limited - Mudaraba Special Notice Deposit	8,558,195
BRAC Bank PLC - Current Account (non-interest bearing)	655
Mutual Trust Bank Limited - Yaqeen Short Notice Deposit (Non-Individual)	107,932
Total investments in money market securities	**75,390,958**

7. Analysis of Income and Purification

7.1. Income Breakdown

The Fund's income was generated from the following Shariah-compliant sources:

Breakdown of Total Income	30-Jun-26	30-Jun-25
Profit earned from Deposits	2,619,810	5,097,885
Profit earned from Islamic Sukuk	2,262,764	390,924
Capital gain/(loss) on sale of marketable securities	4,022,104	(2,191,512)
Dividend income	3,841,425	5,967,800
Unrealized gain/(loss) on securities	8,127,935	6,511,414
Total Income	**20,874,038**	**15,776,511**

The table above shows the fund's total income breakdown for FY 2026 and FY 2025. The fund experienced a positive total income of BDT 20,874,038 for the period ended on June 30, 2026. This was primarily driven by significant gains in the capital market and profits from deposits and Islamic Sukuks. In the capital market, the fund recorded a net gain of BDT 15,991,464 (Realized capital gain of BDT 4,022,104; Dividend Income BDT 3,841,425 and Unrealized gain of BDT 8,127,935). Additionally, the company generated BDT 4,882,574 in profit from money market instruments (Profit earned from Deposits BDT 2,619,810 and Profit earned from Islamic Sukuk BDT 2,262,764), which further contributed to the positive total income.

** Details of the profit earned from deposits are given below:

Profit on Mudaraba Special Notice Deposits (MSND)	BDT
Midland Bank - Salam Express Corporate Account	751,471
Mutual Trust Bank – Al Wadee'Ah Current Account	1,307
Shahjalal Islami Bank Limited - Mudaraba Special Notice Deposit	3,664
Total	**756,441**

Profit on Mudaraba Term Deposit (MTD)	BDT
DBH Finance PLC -07, MTD No: 271001028	1,013,016
DBH Finance PLC -08, MTD No: 2710010213	463,805
DBH Finance PLC -11, MTD No: 271001051	270,833
DBH Finance PLC -12, MTD No: 271001052	115,715
Total	**1,863,369**

Total Profit Earned on Deposits	**2,619,810**

2.2. Abdl Zubair

7.2 Purification of Non-Permissible Income

Any incidental income generated from non-Shariah compliant sources within a portfolio company must be purified. The purification calculation has been performed following the dividend-based purification method, as advised by the SAC.

This amount, totaling **BDT** 242,460, has been preserved in a separate account and will be donated to approved charitable causes.

Purification Calculation for FY 2026:

Name of the Stock	Type of Income	Income Earned	Purification ratio*	Required Purification Amount
Marico Bangladesh Limited	Cash Dividend	1,842,750	5.25%	96,672
Grameenphone Limited	Cash Dividend	82,500	1.26%	1,042
Marico Bangladesh Limited	Cash Dividend	567,000	5.25%	29,745
The IBN SINA Pharmaceutical Industry PLC	Cash Dividend	332,800	0.01%	38
Marico Bangladesh Limited	Cash Dividend	472,500	5.76%	27,227
Square Pharmaceuticals Limited	Cash Dividend	1,296,000	5.09%	65,914
Marico Bangladesh Limited	Cash Dividend	448,875	4.04%	18,124
Grameenphone Limited	Cash Dividend	78,750	1.42%	1,121
Berger Paints Bangladesh Ltd.	Cash Dividend	105,000	2.38%	2,503
Renata Limited	Cash Dividend	33,000	0.22%	73
		5,259,175		**242,460**

Out of the total amount of **BDT 242,460**, **BDT 223,141** has been donated together with last year's remaining balance of **BDT 21,184** (charitable donations totaling **BDT 244,325**). The amount was authorized by SAC and donated equally among four organizations (named **Jamia Islamia Darul Uloom Madrasa; Markazu Dirasatil Iqtisadil Islami ; Ashic Foundation; and Thalassemia Foundation Hospital**)during the 2025-26 fiscal year. A balance of **BDT 19,318** remains in the separate purification account.

**Purification ratios are presented rounded to two decimal places for reporting clarity. Actual purification amounts are derived using higher-precision decimal percentages, which may result in minor rounding variances in the final calculated figures.*

8. Shariah Audit & Monitoring

The SAC confirms that:
- All investments were monitored quarterly.
- No new investment was made in non-compliant securities and continued holding pending divestment for Square Pharmaceuticals.
- Any temporary or incidental non-compliance was addressed promptly; where non-compliance persisted—specifically in the case of **Square Pharmaceuticals PLC**—the holding was managed in

strict accordance with the approved six-month grace and strategic divestment period to ensure complete liquidation while safeguarding investor interests.

9. Zakat Disclosure

The Fund does not calculate Zakat on behalf of investors. Investors are advised to use the Fund's audited financial statements to calculate their individual Zakat liability.

10. Conclusion & Shariah Certification

In the name of Allah, the Most Gracious, the Most Merciful.

The Fund's management is responsible for ensuring that the Fund's operations are conducted in accordance with Shariah principles; the SAC is responsible for forming an independent opinion thereon, based on our review.

Based on our review of the documents, transactions, and investment activities of the EDGE Al-Amin Shariah Consumer Fund for the financial year ended June 30, 2026 — and subject to (i) the reclassification of Square Pharmaceuticals Limited as Shariah non-compliant and its ongoing divestment during the grace period (Section 4.2), (ii) the purification of non-permissible income as disclosed in Section 6, (iii) finalization of the formal divestment procedures within the Shariah Charter, and (iv) the accuracy and completeness of the financial information and records provided to us by the Fund's management — we, the undersigned members of the Shariah Advisory Committee, are of the opinion that the Fund has been managed and operated in substantial compliance with the principles of Shariah and the guidelines approved by the SAC.

We pray to Allah (SWT) for the continued success of the Fund and the acceptance of our humble efforts.

For and on behalf of the Shariah Advisory Committee (SAC)

Dr. Md. Sadiqul Islam	Abdullah Al Masum	Zubair Abdullah
Member	Member	Member

Date: 12/08/26