



NBP Fund Management Limited



**NBP
PAKISTAN GROWTH
EXCHANGE TRADED FUND**

**ANNUAL REPORT
JUNE 30, 2025**

MISSION STATEMENT

"To become country's most
investor-focused company,
by assisting investors
in achieving their financial goals."

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

| | |
|-----------------------------------|-------------------------|
| Shaikh Muhammad Abdul Wahid Sethi | Chairman |
| Dr. Amjad Waheed | Chief Executive Officer |
| Ms. Mehnaz Salar | Director |
| Mr. Ali Saigol | Director |
| Mr. Imran Zaffar | Director |
| Mr. Khalid Mansoor | Director |
| Mr. Saad Amanullah Khan | Director |
| Mr. Faisal Ahmed | Director |
| Mr. Umar Ahsan Khan | Director |

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Zaheer Iqbal

Audit & Risk Committee

| | |
|-------------------------|----------|
| Mr. Saad Amanullah Khan | Chairman |
| Ms. Mehnaz Salar | Member |
| Mr. Imran Zaffar | Member |
| Mr. Umar Ahsan Khan | Member |

Human Resource & Remuneration Committee

| | |
|-----------------------------------|----------|
| Mr. Khalid Mansoor | Chairman |
| Shaikh Muhammad Abdul Wahid Sethi | Member |
| Mr. Ali Saigol | Member |
| Mr. Faisal Ahmed | Member |

Strategy & Business Planning Committee

| | |
|-----------------------------------|----------|
| Mr. Saad Amanullah Khan | Chairman |
| Shaikh Muhammad Abdul Wahid Sethi | Member |
| Mr. Faisal Ahmed | Member |
| Mr. Ali Saigol | Member |
| Mr. Imran Zaffar | Member |
| Mr. Khalid Mansoor | Member |

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Habib Metropolitan Bank Limited
JS Bank Limited

Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

Legal Advisor

Akhund Forbes
D-21, Block, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpfunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

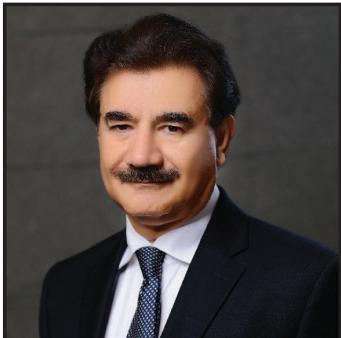
Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

Khan Center, 1st Floor, Abdali Road, Multan.
Phone No. : 061-4540301-6, 061-4588661-2&4

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Saad Amanullah Khan
Director



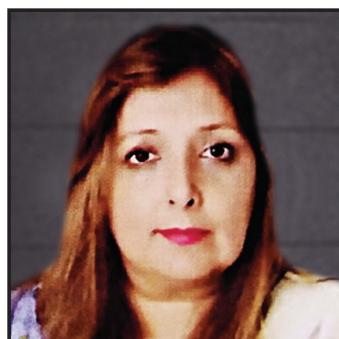
Mr. Faisal Ahmed
Director



Mr. Ali Saigol
Director



Mr. Umar Ahsan Khan
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer



Mr. Ozair Ali Khan
Chief Technology Officer



Mr. Zaheer Iqbal, ACA FPFA
Chief Financial Officer



Mr. Raza Jafri
Head of Portfolio &
Investment Advisory



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Hassan Raza, CFA
Head of Equity



Mr. Waheed Abidi
Head of Internal Audit



Mr. Mustafa Farooq
Head of Compliance,
Risk & Legal



Mr. Muhammad Waseem
Head of Research

DIRECTORS' REPORT

Fund's Performance

The Board of Directors of NBP Fund Management Limited is pleased to present the Fifth Annual Report for the period ended June 30, 2025, since launch of **NBP Pakistan Growth Exchange Traded Fund** on October 06, 2020.

Following an exceptional performance in FY24, the outgoing FY25 proved to be another remarkable year for Pakistan's equity market. The KSE-100 Index soared by 60%, surpassing the historic 100,000-point milestone for the first time and closed the year above 125,000. Notably, the index has delivered a cumulative return of 203% over the past two years.

Investor sentiment received a significant boost in July 2024 with the signing of a Staff-Level Agreement (SLA) between Pakistan and the IMF for a USD 7 billion Extended Fund Facility (EFF). The IMF program contributed to sustained improvements in macroeconomic indicators, prompting Fitch and Moody's to upgrade Pakistan's Long-Term Foreign-Currency Issuer Default Rating by one notch. Economic growth also gained traction, with GDP rising by 2.7%-up from 2.5% in the prior year. Inflation eased substantially, averaging 4.5% during FY25, primarily due to a sharp decline in food prices. In response, the central bank slashed the Policy Rate by 950 basis points to 11%.

Government bond yields fell markedly-short-term yields declined in the range of 7.8% to 9.0%, while long-term yields dropped by 1.4% to 5.9%. On the external front, the country recorded its first current account surplus in 13 years, amounting to USD 2.1 billion in FY25, largely driven by a 27% surge in workers' remittances. SBP actively purchased approximately USD 6.7 billion from the interbank foreign exchange market between July and April, helping to strengthen FX reserves by USD 5.1 billion during the fiscal year.

In a further boost, the World Bank approved Pakistan's inaugural 10-year Country Partnership Framework (CPF), committing nearly USD 20 billion—the largest pledge in the country's history. Despite a brief market pause due to global economic uncertainty stemming from high U.S. tariffs and geopolitical conflict with India, the market remained resilient and maintained its upward trajectory throughout the year.

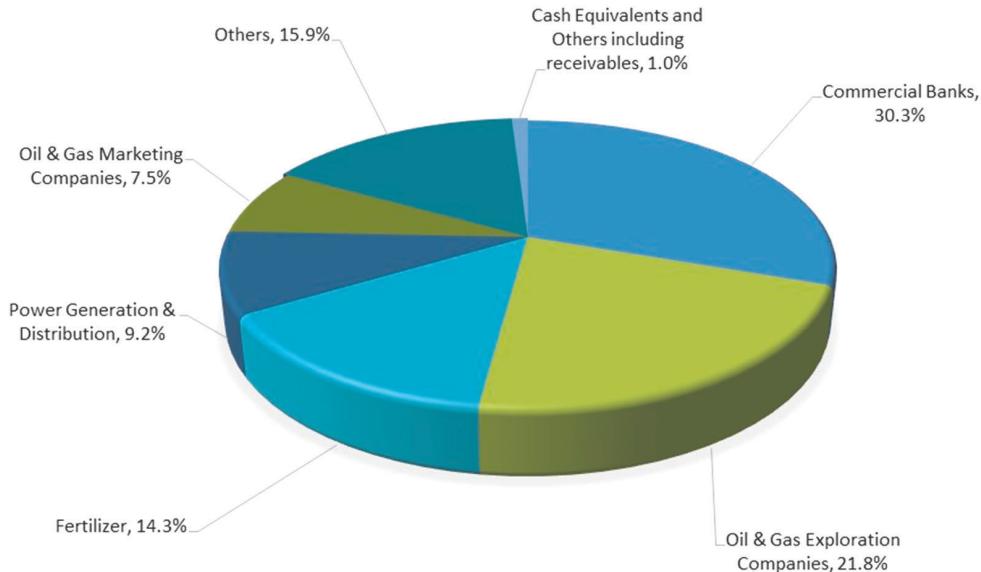
From a sectoral perspective, strong performances were seen in Cements, Fertilizers, Glass & Ceramics, Investment Companies, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing, Pharmaceuticals, Refineries, Sugar & Allied Industries, Textile Spinning, Transport, and Real Estate Investment. On the other hand, sectors such as Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Chemicals, Commercial Banks, Engineering, Food & Personal Care, Insurance, Leather & Tanneries, Paper & Board, Power Generation & Distribution, Textile Composite, Textile Weaving, and Tobacco underperformed.

In terms of market participation, Mutual Funds were the dominant net buyers with inflows totaling USD 233 million. Companies and Individual investors also recorded net inflows of USD 94 million and USD 68 million, respectively. In contrast, Foreign Investors reduced their exposure by approximately USD 304 million, primarily due to Pakistan being downgraded by FTSE from Emerging Market to Frontier Market status, triggering substantial foreign outflows during the review period.

During the fiscal year, NBP Pakistan Growth Exchange Traded Fund (NBPGETF) increased by 56.1% versus the Benchmark increased by 59.4% translating into an underperformance of 3.3% during the year. Tracking error for the period was 0.05%. Since inception, NBP Pakistan Growth Exchange Traded Fund increased by 209.2% versus the Benchmark increased by 250.0%. Thus, the Fund underperformed the Benchmark by 40.8% during the period under review. Tracking error for the period was 0.06%. The stocks in the NBPGETF belong to Commercial Banks, Cements, Fertilizers, Inv. Banks/ Inv. Cos./Securities Cos., Oil & Gas Marketing Com Oil & Gas Exploration, Power Generation & Distribution, and Technology & Communication sectors. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 138 million.

NBP Growth Exchange Traded Fund has earned a total income of Rs. 57.98 million during the year. After deducting total expenses of Rs. 1.72 million, the net income is Rs. 56.26 million. During the year, the unit price of NBP Growth Exchange Fund has increased from Rs. 15.9033. (Ex-Div) on June 30, 2024 to Rs. 21.7785 on June 30, 2025. The resultant per unit income is Rs. 5.8752 (36.94%).

The asset allocation of the Fund as on June 30, 2025 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 18.75% of the opening ex-NAV (29.82% of the par value) during the year ended June 30, 2025.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, as reduced by accumulated losses and capital gains, whether realized or unrealized, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors Messrs Yousuf Adil & Co., Chartered Accountants, retired and, being eligible, offer themselves for re-appointment for the year ending June 30, 2026.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.

7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held eight meetings during the year. The attendance of all directors is disclosed in the note 27 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 26 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2025, the Board included:

| Category | Names |
|--------------------------------|---|
| Independent Directors | 1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Umar Ahsan Khan |
| Executive Director | Dr. Amjad Waheed - Chief Executive Officer |
| Non-Executive Directors | 1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Faisal Ahmed 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar |

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: August 21, 2025

Place: Karachi.

ڈائریکٹر رپورٹ

NBP فنڈ میجسٹریشن کے بورڈ آف ڈائریکٹریز 06 اکتوبر 2020 کو آغاز ہونے والے NBP پاکستان گروہ کی پیشہ ٹریننگ فنڈ کی پانچیس سالانہ رپورٹ برائے مختتم سال 30 جون 2025ء پیش کرتے ہوئے مسترد محسوس کر رہے ہیں۔

فندکی کارگردگی

مالي سال 2024 کي غير معمولی کارکردگی کے بعد، مالي سال 2025 بھی پاکستان کی ایک یونیفارکٹ کے لیے ایک اور شاندار سال ثابت ہوا۔ 100-EKSE انڈسکس میں 60% کا زبردست اضافہ ہوا اور یہ پہلی مرتبہ تاریخی 100,000 پاؤنس کی حد عبور کرتے ہوئے سال کے اختتام پر 125,000 پاؤنس سے اوپر نہ ہوا۔ قبل ذکربات یہ ہے کہ گزشتہ دو برسوں میں انڈسکس نے مجموعی طور پر 203% ماناف دیا ہے۔

جوں کی 2024 میں پاکستان اور آئی ایم ایف کے درمیان 7 ارب ڈالر کے ایکٹھیڈ ڈفینڈنٹ فیلڈ (EFF) کے تحت اسٹاف لیوں ایگر یونٹ (SLA) پر مشتمل ہونے کے بعد سرمایہ کاروں کا اعتماد نہیاں طور پر بڑھا۔ آئی ایم ایف پروگرام نے معہاشی اشاریوں میں مسلسل بہتری میں اہم کردار ادا کیا، جس کے نتیجے میں پُغ اور موڈیز نے پاکستان کی طویل المدى غیر ملکی کرنی کے قرضوں کی درجہ یمندی میں ایک درجہ اضافہ کیا۔ معہاشی ترقی میں بھی بہتری آئی، اور جی ڈی پی میں 2.7% اضافہ ہوا جو چھٹے سال کے 2.5% سے زیادہ ہے۔ مہنگائی میں واضح کی آئی اور مالی سال 2025 میں اوسط 4.5% رہی، جس کی نہایت وجہ اشیائی خودروں کی قیمتیوں میں نہیاں کی تھی۔ اس کے جواب میں، اسٹیٹ بیکنے پالیسی ریٹ میں 950 ہزار پاؤنسٹش کوئی کوتے کرتے ہوئے شرح سود کو 11% تک کم کیا۔

حکومتی بانڈز کے شرح منافع میں نمایاں کمی واقع ہوئی۔ مختصر مدتی بانڈز کی شرح منافع 7.8% سے 9.0% تک ہوئی، جبکہ طویل مدتی شرح منافع میں 1.4% سے 5.9% تک کی آئی۔ یہ فنی مجاز پر، ملک نے 13 بس بعد کرنٹ اکاؤنٹ سرپلس ریکارڈ کیا جو مالی سال 2025 میں 2.1 ارب ڈالر رہا، جس کی بڑی وجہ تیلات زر میں 27% کا اضافہ تھا۔ اسٹریٹ میک نے جو لوگ تاپریل کے دوران اکچھی فان اپچینج مارکیٹ سے تقریباً 7.7 ارب ڈالر خریدے، جس سے زرمادا کے خاتمے میں سال بھر کے دوران 1.5 ارب ڈالر کا اضافہ ہوا۔

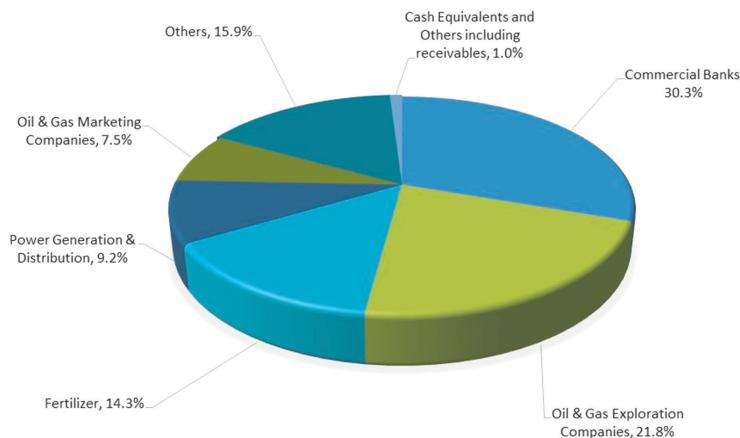
مزید بر آں، ولڈلے یونک نے پاکستان کے پہلے 10 سالہ کٹھری پارٹر شپ فریم ورک (CPF) کی مظاہری دی، جس کے تحت تقریباً 20 ارب ڈالر کی تاریخی کٹھمنٹ کی گئی۔ اگرچہ امریکی محصولات میں اضافے اور بھارت کے ساتھ چیخرا ایمانی تباہ کے باعث علمی معاشی غیر یقینی صورت حال کے دوران مارکیٹ میں ایک مختصر و قائم آیا، تاہم مارکیٹ نے اپنی پاک برقرار رکھی اور پورے سال ثابت سمت میں آگے بڑھتی رہی۔

سیکلریز کی کارکردگی کے لحاظ سے، سیمٹن، فرشیلا نئر ز، گلاس اینڈ سیر ایمس، انویسٹمنٹ کمپنیاں، متفرق، آنکل اینڈ گیس ایک پلور بیشن، آنکل اینڈ گیس مارکیٹنگ، فارماسیوٹیکلز، ریفارمزر، شوگر اینڈ الائیڈ اینڈ ستریز، ٹیکلساکل اسٹرنگ، ٹرانپورٹ اور بریلیل اسٹریٹ انویسٹمنٹ جیسے شعبوں نے شاندار کارکردگی دکھائی۔ اس کے برعکس، آٹو اسٹریٹر، آٹو پارٹس اینڈ اکسیسیر یون، کیل اینڈ الائیٹر یکل گلڈز، کیمیکلز، کمرش پینکس، انچیج سرٹنگ بک، ہوڈا اینڈ گل کسٹر، ایشورنس، ایدر اینڈ ٹیکسٹر، بیکر اینڈ ٹیکسٹر، پور جیزیشن، ٹیکل اسٹرنگ اور ٹوکیو کے شعبے نے مارکیٹ سے ایکار کارکردگی کا ظاہرہ کیا۔

مارکیٹ میں شمولیت کے لحاظ سے، میوجل فنڈز سب سے بڑے خالص خریدار ہے جن کی سرمایہ کاری کا حجم 233 ملین ڈالر یا کروڑ کیا گیا۔ کمپنیوں اور انفرادی سرمایہ کاروں نے بھی باترتیب 94 ملین ڈالر اور 68 ملین ڈالر کی خالص سرمایہ کاری رکارڈ کی۔ اس کے بعد، غیر ملکی سرمایہ کاروں نے تقریباً 304 ملین ڈالر کی سرمایہ کاری کم کی، جس کی بنیادی وجہ پاکستان کو ایف ٹی ایس ای (FTSE) کی جانب سے ایئر جنگ مارکیٹ سے فرنچائز مارکیٹ میں تنخوا تھی، جس نے اس عرصے کے دوران نماہیں غیر ملکی انسلاخ کو حجم دیا۔

NBP پاکستان گروٹھ ایچیج ٹریڈنگ فنڈ کو سال کے دوران 98.57 ملین روپے کی کل اخراجات منہما کرنے کے بعد ناصل آمدی 26.17 ملین روپے ہے۔ سال کے دوران NBP پاکستان گروٹھ ایچیج ٹریڈنگ فنڈ کے یونٹ کی قیمت 30 جون 2024 کو 15.9033 روپے (Ex-Div) سے بڑھ کر 30 جون 2025 کو 21.7785 روپے (Ex-Div) ہو گئی۔ فنڈ یونٹ منافع 36.94 روپے لئے 5.8752 روپے نصیر ہے۔

30 جون 2025 کے مطابق NBPGETF کی ایسٹ ایلوکیشن حصہ ذیل ہے:



آمدی کی تفہیم

میجنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے دوران اوپنگ ex-NAV کا 18.75 (بندی قیمت کا 29.82 نصید) عبوری نقد منافع منقسمہ کی منتظری دی ہے۔

ٹیکسیشن

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ کمپنیوں کی میتوں کے بعد 90 نصید سے زائد ہے، اس لئے فنڈ پاکیمکس آرڈیننس 2001 کے درسے شیڈول کے حصہ اول کی شیڈول 99 کے تحت لیکن لاگو نہیں ہوتا ہے۔

آڈیٹر

مووجودہ آڈیٹر، میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے اور اہل ہونے کی بنا پر، 30 جون 2026 کو ختم ہونے والے سال کے لیے دوبارہ تقری کے لیے خود کو پیش کرتے ہیں۔

لیڈ کمپنیز (کوڈ آف کارپو ریٹ گورننس) ریگیٹر 2019 میں شامل ہبھرین عادل کی پیروی میں ڈائریکٹرز ایٹھنٹ

1. میجنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلواور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹ کی مناسب پالیسیوں کی مسلسل پیدا وی کی گئی ہے۔ شہریاتی تنظیمیں مناسب اور معقول نظریات پرمنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے میں الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنشنل کنٹرول کا نظام متعارف اور موثر طریقے سے نافذ ہے اور اس کی مسلسل مگرمانی کی جاتی ہے۔
6. فنڈ کی روائی و دوام رہنے کی صلاحیت کے بارے میں کوئی مشکوک و شبهات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تو ہی نہیں کی گئی۔
8. پرفارمنس ٹیبل / اہم مالیاتی ڈیتا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسیشن، ڈیویٹر، محصولات اور چارج کی مدد میں واجب الادارہ کاری اداگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران میجنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے آخر اجلاس معمقہ ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 27 میں ظاہر کی گئی ہے۔

- 11 یونٹ ہولڈنگ کا تفصیلی پیش ان مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹر، اسی اور اسی کمپنی کیکٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹر میں غیر جانبدار نان ایگر یکٹوڈ ایکٹر کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطکوںی ممارٹی اختریست نہیں رکھتی۔ 30 جون 2025 کو بورڈ آف ڈائریکٹر درجہ ذیل اركان پر مشتمل ہیں:

| نام | کمپنی |
|-------------------------------------|----------------------|
| جناب خالد منصور | غیر جانبدار ڈائریکٹر |
| جناب سعد امان اللہ خان | |
| جناب عمر حسن خان | |
| ڈاکٹر احمد وحید (چیف ایگزیکٹو فیسر) | نان ایگزیکٹوڈ ایکٹر |
| شیخ محمد عبدالواحد سستھی (چیئرمین) | |
| جناب فیصل احمد | |
| محترمہ منہاز سالار | |
| جناب علی سیگل | |
| جناب عمران ظفر | |

امہار شکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے یعنی ہفت کمپنی پر اعتماد، اختبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈر زکا شکر یاد کرتا ہے۔ یہ یکورٹیز ایڈا بچنگ کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور ہبھائی کے لئے ان کے خالص روایہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے انساف اور ٹریٹی کی طرف سے سخت محنت لگان اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹر
NBP فنڈ میجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو فیسر

تاریخ: 21 اگسٹ 2025ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Pakistan Growth Exchange Traded Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 29, 2025

FUND MANAGER REPORT

NBP Pakistan Growth Exchange Traded Fund

NBP Pakistan Growth Exchange Traded Fund is an Open-ended Exchange Traded Fund

Investment Objective of the Fund

NBP Pakistan Growth Exchange Traded Fund (NBPGETF) aims to track the authorized benchmark index as per the investment methodology constituted by the Management Company.

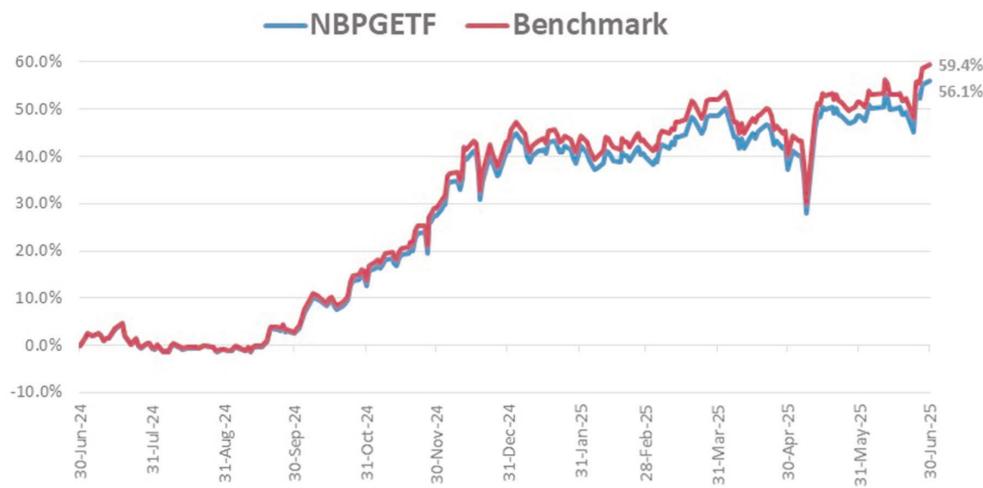
Benchmark

The Benchmark of the Fund is NBP Pakistan Growth Index (NBPPGI).

Fund performance review

This is the Fifth annual report of the Fund. During the fiscal year, NBP Pakistan Growth Exchange Traded Fund (NBPGETE) increased by 56.1% versus the Benchmark increased by 59.4% translating into an underperformance of 3.3% during the year. Tracking error for the period was 0.05%. Since inception, NBP Pakistan Growth Exchange Traded Fund increased by 209.2% versus the Benchmark increased by 250.0%. Thus, the Fund underperformed the Benchmark by 40.8% during the period under review. Tracking error for the period was 0.06%. The stocks in the NBPGETF belong to Commercial Banks, Cements, Fertilizers, Inv. Banks/ Inv. Cos./Securities Cos., Oil & Gas Marketing Com Oil & Gas Exploration, Power Generation & Distribution, and Technology & Communication sectors. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 138 million.

The chart below shows the performance of NBPGETF against the Benchmark for the period under review.



Following an exceptional performance in FY24, the outgoing FY25 proved to be another remarkable year for Pakistan's equity market. The KSE-100 Index soared by 60%, surpassing the historic 100,000-point milestone for the first time and closed the year above 125,000. Notably, the index has delivered a cumulative return of 203% over the past two years.

Investor sentiment received a significant boost in July 2024 with the signing of a Staff-Level Agreement (SLA) between Pakistan and the IMF for a USD 7 billion Extended Fund Facility (EFF). The IMF program contributed to sustained improvements in macroeconomic indicators, prompting Fitch and Moody's to upgrade Pakistan's Long-Term Foreign-Currency Issuer Default Rating by one notch. Economic growth also gained traction, with GDP rising by 2.7%-up from 2.5% in the prior year. Inflation eased substantially, averaging 4.5% during FY25, primarily due to a sharp decline in food prices. In response, the central bank slashed the Policy Rate by 950 basis points to 11%.

Government bond yields fell markedly-short-term yields declined in the range of 7.8% to 9.0%, while long-term yields dropped by 1.4% to 5.9%. On the external front, the country recorded its first current account surplus in 13 years, amounting to USD 2.1 billion in FY25, largely driven by a 27% surge in workers' remittances. SBP actively purchased approximately USD 6.7 billion from the interbank foreign exchange market between July and April, helping to strengthen FX reserves by USD 5.1 billion during the fiscal year.

In a further boost, the World Bank approved Pakistan's inaugural 10-year Country Partnership Framework (CPF), committing nearly USD 20 billion—the largest pledge in the country's history. Despite a brief market pause due to global economic uncertainty stemming from high U.S. tariffs and geopolitical conflict with India, the market remained resilient and maintained its upward trajectory throughout the year.

From a sectoral perspective, strong performances were seen in Cements, Fertilizers, Glass & Ceramics, Investment Companies, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing, Pharmaceuticals, Refineries, Sugar & Allied Industries, Textile Spinning, Transport, and Real Estate Investment. On the other hand, sectors such as Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Chemicals, Commercial Banks, Engineering, Food & Personal Care, Insurance, Leather & Tanneries, Paper & Board, Power Generation & Distribution, Textile Composite, Textile Weaving, and Tobacco underperformed.

In terms of market participation, Mutual Funds were the dominant net buyers with inflows totaling USD 233 million. Companies and Individual investors also recorded net inflows of USD 94 million and USD 68 million, respectively. In contrast, Foreign Investors reduced their exposure by approximately USD 304 million, primarily due to Pakistan being downgraded by FTSE from Emerging Market to Frontier Market status, triggering substantial foreign outflows during the review period.

Asset Allocation of the Fund (% of NAV)

| Particulars | 30-Jun-25 | 30-Jun-24 |
|-----------------------|---------------|---------------|
| Equities / Stocks | 99.0% | 108.8% |
| Cash Equivalents | 2.3% | 2.8% |
| Other Net Liabilities | (1.3%) | (11.6%) |
| Total | 100.0% | 100.0% |

Distribution for the Financial Year 2025

| Interim Period / Quarter | Dividend as % of Par Value (Rs.10) | Cumulative Div. Price/Unit | Ex- Div. Price |
|--------------------------|------------------------------------|----------------------------|----------------|
| Interim | 29.8420% | 24.3276 | 21.3434 |

Unit Holding Pattern of NBP Money Market Fund as on June 30, 2025

| Size of Unit Holding (Units) | # of Unit Holders |
|------------------------------|-------------------|
| 100001-500000 | 1 |
| 5000001-10000000 | 1 |
| Grand Total | 2 |

During the period under question:

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The Fund does not have any soft commission arrangement with any broker in the industry.

INDEPENDENT AUDITORS' REPORT

To the unit holders of NBP Pakistan Growth Exchange Traded Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **NBP Pakistan Growth Exchange Traded Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025 and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025 and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and NBP Fund Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|---|
| 1 | <p>Valuation and existence of investment (Refer Note 2.4 of the financial statements)</p> <p>Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represents 98.95% of the net assets of the Fund.</p> <p>The Fund's primary activity is, inter alia, to invest in Listed Equity Securities, which is the main driver of the Fund's performance.</p> <p>Considering the above factors, the valuation and existence are significant areas during our audit due to which we have considered this as a key audit matter.</p> | <p>In this respect, we performed the following procedures:</p> <ul style="list-style-type: none"> • Reviewed the processes and key controls relating to existence and valuation and evaluated the design and implementation of such controls; • Independently verified the existence of investments from the Central Depository Company (CDC) account statement; • Tested valuation of investments by independently tracing rate to externally quoted market prices from the Pakistan Stock Exchange (PSX); and • Differences, if any, identified during our testing that were over our acceptable threshold were investigated further. |

Information other than the financial statements and auditor's report thereon

Management Company is responsible for the other information. The other information comprises the information (Directors' Report, Fund Manager Report & Trustee Report to the Unit Holders) included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management Company and Board of Directors of the Management Company for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

The Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Nadeem Yousuf Adil**.

Yousuf Adil
Chartered Accountants

Karachi

Date: September 04, 2025

UDIN: AR202510091zA468wr3a

STATEMENT OF ASSETS AND LIABILITIES
 AS AT JUNE 30, 2025

| | Note | 2025 ----- (Rupees in '000) ----- | 2024 |
|---|------|--------------------------------------|------------------|
| ASSETS | | | |
| Bank balances | 5 | 1,999 | 2,353 |
| Investments | 6 | 136,641 | 96,206 |
| Dividend and profit receivable | 7 | 131 | 331 |
| Receivable against sale of assets | | 1,045 | - |
| Advance tax | 8 | 63 | 63 |
| Total assets | | 139,879 | 98,953 |
| LIABILITIES | | | |
| Payable to NBP Fund Management Limited - Management Company | 9 | 20 | 20 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 10 | 14 | 9 |
| Payable to Securities and Exchange Commission of Pakistan | 11 | 11 | 7 |
| Dividend payable | | - | 9,766 |
| Payable against conversion and redemption of units | | 642 | |
| Accrued expenses and other liabilities | 12 | 1,116 | 729 |
| Total liabilities | | 1,803 | 10,531 |
| NET ASSETS | | 138,076 | 88,422 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 138,076 | 88,422 |
| CONTINGENCIES AND COMMITMENTS | 13 | | |
| | | ----- Number of units ----- | |
| NUMBER OF UNITS IN ISSUE | 14 | 6,340,000 | 5,560,000 |
| | | ----- Rupees ----- | |
| NET ASSETS VALUE PER UNIT | | 21.7785 | 15.9033 |

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
 (Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 ---- (Rupees in '000) ---- | 2024 |
|---|------|------------------------------------|---------------|
| INCOME | | | |
| Profit on bank balances | | 436 | 506 |
| Dividend income | | 9,168 | 8,428 |
| Gain on sale of investments - net | | 11,251 | 2,055 |
| Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - FVTPL | 6.2 | 31,317 | 35,003 |
| Total income | | 42,568 | 37,058 |
| | | 52,172 | 45,992 |
| EXPENSES | | | |
| Remuneration of NBP Fund Management Limited - Management Company | 9.1 | - | - |
| Sindh Sales Tax on remuneration of Management Company | 9.3 | - | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 10.1 | 116 | 74 |
| Sindh Sales Tax on remuneration of Trustee | 10.2 | 17 | 10 |
| Annual fee - Securities and Exchange Commission of Pakistan | 11.1 | 110 | 70 |
| Annual listing fee | | 38 | 27 |
| Securities transaction cost | | 209 | 78 |
| Auditors' remuneration | 15 | 550 | 597 |
| Professional charges | | 210 | 174 |
| Settlement and bank charges | | 294 | 405 |
| Printing charges | | 183 | 101 |
| Total expenses | | 1,727 | 1,536 |
| Net income from operating activities | | 50,445 | 44,456 |
| Element of income / (losses) and capital gains / (losses) included in prices of units issued less those in units redeemed - net | | 5,814 | 957 |
| Net income for the year before taxation | | 56,259 | 45,413 |
| Taxation | 16 | - | - |
| Net income for the year after taxation | | 56,259 | 45,413 |
| Accounting income available for distribution: | | | |
| - Relating to capital gains | | 42,568 | 37,058 |
| - Excluding capital gains | | 13,691 | 8,355 |
| Earnings per unit | 17 | 56,259 | 45,413 |

The annexed notes 1 to 30 form an integral part of these financial statements.

**For NBP Fund Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

| | 2025 | 2024 |
|--|----------------------------------|---------------|
| | ----- (Rupees in '000) | ----- |
| Net income for the year after taxation | 56,259 | 45,413 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 56,259 | 45,413 |

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
 FOR THE YEAR ENDED JUNE 30, 2025

| | 2025 | 2024 | | | | |
|---|---------------------|---|---------------------|--------------------|---|--------------------|
| | Capital value | Undistributed income / Accumulated (losses) | Total | Capital value | Undistributed income / Accumulated (losses) | Total |
| (Rupees in '000) ----- | | | | | | |
| Net assets at the beginning of the year | 55,475 | 32,947 | 88,422 | 54,492 | (853) | 53,639 |
| Issuance of 920,000 units (2024: 150,000 units) | | | | | | |
| - Capital value (at ex - net asset value per unit) | 14,631 | - | 14,631 | 1,474 | - | 1,474 |
| - Element of income | 6,457 | - | 6,457 | 1,096 | - | 1,096 |
| Total proceeds on issuance of units | 21,088 | - | 21,088 | 2,570 | - | 2,570 |
| Redemption of 140,000 units (2024: 50,000 units) | | | | | | |
| - Capital value (at ex - net asset value per unit) | (2,226) | - | (2,226) | (491) | - | (491) |
| - Element of income | (644) | - | (644) | (139) | - | (139) |
| Total payments on redemption of units | (2,870) | - | (2,870) | (630) | - | (630) |
| Element of income / (losses) and capital gains / (losses) included in prices of units issued less those in units redeemed - net | (5,814) | - | (5,814) | (957) | - | (957) |
| Total comprehensive income for the year | - | 56,259 | 56,259 | - | 45,413 | 45,413 |
| Final Distribution | | | | | | |
| Distribution @ Rs. 0.34 per unit declared on September 19, 2023 | - | - | - | - | (1,847) | (1,847) |
| Interim Distribution | | | | | | |
| Distribution @ Rs 2.9824 per unit declared on June 26, 2025 (2024: @ Rs 1.7565 per unit declared on June 27, 2024) | - | (19,009) | (19,009) | - | (9,766) | (9,766) |
| Net assets at end of the year | 67,880 | 70,197 | 138,076 | 55,475 | 32,947 | 88,422 |
| Accumulated losses brought forward | | | | | | |
| - Realised income | - | - | - | - | 2,269 | 2,269 |
| - Unrealised loss | 32,947 | 32,947 | 32,947 | (3,122) | (853) | (853) |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | 42,568 | 42,568 | 42,568 | 37,058 | 37,058 | 37,058 |
| - Excluding capital gains | 13,691 | 13,691 | 13,691 | 8,355 | 8,355 | 8,355 |
| Final Distribution | | | | | | |
| Distribution @ Rs. 0.34 per unit declared on September 19, 2023 | - | - | - | - | (1,847) | (1,847) |
| Interim Distribution | | | | | | |
| Distribution @ 2.9824 Rs per unit declared on June 26, 2025 (2024: @ Rs 1.7565 per unit declared on June 27, 2024) | (19,009) | (19,009) | (19,009) | (9,766) | (9,766) | (9,766) |
| Other comprehensive income / (loss) for the year | - | - | - | - | - | - |
| Undistributed income / Accumulated (losses) carried forward | <u>70,197</u> | <u>70,197</u> | <u>70,197</u> | <u>32,947</u> | <u>32,947</u> | <u>32,947</u> |
| Undistributed income / Accumulated (losses) carried forward: | | | | | | |
| - Realised income | - | - | - | - | - | - |
| - Unrealised gain / (loss) | 70,197 | 70,197 | 70,197 | 32,947 | 32,947 | 32,947 |
| Net assets value per unit at the beginning of the year | (Rupees) 15,9033 | (Rupees) 15,9033 | (Rupees) 15,9033 | (Rupees) 9,8240 | (Rupees) 9,8240 | (Rupees) 9,8240 |
| Net assets value per unit at end of the year | <u>21,7785</u> | <u>21,7785</u> | <u>21,7785</u> | <u>21,7785</u> | <u>21,7785</u> | <u>21,7785</u> |

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 ----- (Rupees in '000) ----- | 2024 |
|---|------|--------------------------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income for the year before taxation | | 56,259 | 45,413 |
| Adjustments for: | | | |
| Net unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at FVTPL | 6.2 | (31,317) | (35,003) |
| Element of losses / (income) and capital (gains) / losses included in prices of units issued less those in units redeemed - net | | (5,814) | (957) |
| | | (37,131) | (35,960) |
| Increase in assets | | | |
| Investments - net | | (9,118) | (8,523) |
| Receivable against sale of assets | | (1,045) | (324) |
| Dividend and profit receivable | | 200 | (8,847) |
| | | (9,963) | (8,847) |
| Increase in liabilities | | | |
| Payable to NBP Fund Management Limited - Management Company | | - | - |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 5 | 4 |
| Payable to Securities and Exchange Commission of Pakistan | | 4 | (4) |
| Dividend payable | | (9,766) | 9,002 |
| Payable against conversion and redemption of units | | 642 | |
| Accrued expenses and other liabilities | | 387 | 345 |
| | | (8,728) | 9,347 |
| Net cash generated from / (used in) operating activities | | 437 | 9,953 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Amount received against issuance of units | | 21,088 | 2,570 |
| Amount paid against redemption of units | | (2,870) | (630) |
| Cash dividend | | (19,009) | (11,613) |
| Net cash used in financing activities | | (791) | (9,673) |
| Net increase / (decrease) in cash and cash equivalents during the year | | (354) | 280 |
| Cash and cash equivalents at the beginning of the year | | 2,353 | 2,073 |
| Cash and cash equivalents at the end of the year | 5 | 1,999 | 2,353 |

The annexed notes 1 to 30 form an integral part of these financial statements.

**For NBP Fund Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025****1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** NBP Pakistan Growth Exchange Traded Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 03, 2020 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on November 2, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.4** The Fund has been categorised as an open ended exchange traded mutual fund that aims to provide investors an opportunity to track the performance of NBP Pakistan Growth Index that has been constituted and is maintained by the Management Company and comprises of 15 equity securities selected with high consideration towards market capitalisation and traded value.
- 1.5** The Fund is a hybrid fund having features of both open ended and close ended funds. A new concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holders of the units keep on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between APs and Management Company and cash will be paid / received if there is a difference in the market value of shares and net asset value.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of AM1 as at May 15, 2025 (2024: AM1 on June 21, 2024) to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.7** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.8** The Fund is an Open Ended Exchange Traded Mutual Fund categorised as "Listed Index Tracking Fund" and is listed on PSX.

2 BASIS OF PREPARATION**2.1 Statement of compliance**

- 2.1.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) 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 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 IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

- 2.1.2** The SECP vide SRO 800 (I)/2021 dated June 22, 2021 modified the effective date for applicability of International Financial Reporting Standard 9 (IFRS 9) - Financial Instruments in place of International Accounting Standard 39 (Financial Instruments: Recognition and Measurement) for Non-Banking Finance Companies and Modarabas, as "Reporting period / year ending on or after June 30, 2022 (earlier application permitted)". As permitted, the Fund had already applied IFRS-9 during the year ended June 30, 2019 with the exception of below mentioned impairment requirements as referred in note 2.1.3 of these financial statements.
- 2.1.3** The SECP vide letter ref SCD / AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of International Financial Reporting Standard 9 (IFRS 9) "Financial Instruments" in relation to debt securities for mutual funds. Accordingly, the impairment requirements of IFRS 9 have not been considered for debt securities and requirements of SECP Circular 33 of 2012 have continued to be followed.

2.2 Accounting convention

These financial statements are prepared under the historical cost convention except for investments which are carried at fair value.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of judgments and estimates

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the subsequent year is included in the following notes:

- (a) Valuation of investment (4.2.5);
- (b) Provisions (Note 4.4); and
- (c) Classification and impairment of financial assets (Notes 4.2.2.1 and 4.2.3).

3 ADOPTION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Funds' financial statements other than certain additional disclosures.

Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions.

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants..

Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments and standards are either not relevant to the Funds' operations or are not expected to have significant impact on the Funds' financial statements other than certain additional disclosures..

Effective from accounting periods beginning on or after:

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability January 01, 2025

IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) January 01, 2026

IFRS 7 - Financial Instruments: Disclosures July 01, 2025

Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments January 01, 2026

Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7) January 01, 2026

Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

During the year, the Fund adopted Disclosure of Accounting Policies (Amendment to IAS 01) effective for annual reporting periods beginning on or after January 1, 2023. The amendment required the disclosure of 'material', rather than 'significant' accounting policies. The amendments did not result in any changes to the accounting policies themselves.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Financial instruments

The Fund applied IFRS 9 (refer note 2.1.2) except for impairment requirements for which the Fund has continued to follow the requirements of SECP (refer note 2.1.3).

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or liabilities, as appropriate, on initial recognition. Transaction costs pertaining to financial assets or financial liabilities at fair value through profit or loss are recognised in the income statement.

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Amortised cost (AC);
- At fair value through other comprehensive income (FVTOCI); and
- At fair value through profit or loss (FVTPL).

Financial asset at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL;

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Financial asset at FVTOCI

A financial asset is classified at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL;

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI), and only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

Financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statement. In case of equity instrument, when the financial asset is derecognised, there is no subsequent reclassification of fair value gains and losses to income statement.

Financial asset at FVTPL

All other financial assets are classified as FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has two business models.

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.
- Other business model: This includes equity securities. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- Amortised Cost (AC), or
- At fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL, and also subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in income statement.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to income statement

4.2.3 Impairment of financial assets

The Fund at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD / AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

4.2.5 Fair value measurement principles and provision

Fair value is 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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments is determined as follows:

Basis of valuation of equity investments

Equity investments are marked-to-market on the basis of rates at year end date as quoted on PSX, as all equity investments are made in listed securities only.

4.2.6 Regular way contracts

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

4.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

The Fund is also exempt from the provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, to its unit holders.

4.6 Distributions to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.7 Issuance and redemption of units

Authorised Participant can purchase the units at the offer price and redeem at the redemption price at any of the authorised distribution offices during business hours.

The offer price shall be equal to the sum of:

- The Net Asset Value (NAV) as of the close of the previous business day (historical pricing); and
- Such amount as the Management Company may consider an appropriate provision for duties and charges.

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof as mentioned in the offering document. Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund.

4.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting year.

As clarified by the SECP vide its letter no. SCD/AMCW/ETF/240/2020 dated March 2, 2020 that element of income in case of Exchange Traded Funds shall be taken to income statement both at the time of issuance and redemption of units to the extent it pertains to income statement.

4.9 Net assets value per unit

The Net Assets Value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.10 Revenue Recognition

- Realised gains / (losses) arising on sale of investments are included in the income statement on the date at which transactions takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Income on bank balances and placements is recognised on time proportionate basis.
- Dividend income on equity securities is recognised when the right to receive the dividend is established. For quoted equity securities, this is usually the ex-dividend date.

4.11 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

| | | | 2025 | 2024 |
|----------|---|------|--------------------------|--------------------------|
| | | Note | --- (Rupees in '000) --- | --- (Rupees in '000) --- |
| 5 | BANK BALANCES | | | |
| | In savings accounts | 5.1 | <u>1,999</u> | <u>2,353</u> |
| 6 | INVESTMENTS | | | |
| | Financial asset at fair value through profit or loss | | | |
| | - Listed equity securities | 6.1 | <u>136,641</u> | <u>96,206</u> |

6.1 Investments in equity securities - listed

Shares of listed companies - fully paid up ordinary shares with a face value of Rs. 10 each unless otherwise stated.

| Investee Company | As at July 1, 2024 | Purchased during the year | Bonus / right shares received during the year | Sold during the year | As at June 30, 2025 | Market value as at June 30, 2025 | Market value as a percentage of | | Holding as a percentage of paid-up capital of investee company |
|---|-----------------------|---------------------------------|---|----------------------------|------------------------|---|------------------------------------|---|--|
| | | | | | | | Net Assets of the Fund | Total Market Value of Investments | |
| ----- Number of shares ----- (Rupees in '000) ----- % ----- | | | | | | | | | |

OIL AND GAS MARKETING COMPANIES

| | | | | | | | | | |
|------------------------------------|---|--------|---|-------|--------|--------|------|------|------|
| Pakistan State Oil Company Limited | - | 31,405 | - | 4,143 | 27,262 | 10,292 | 7.45 | 7.53 | 0.01 |
|------------------------------------|---|--------|---|-------|--------|--------|------|------|------|

OIL AND GAS EXPLORATION COMPANIES

| | | | | | | | | |
|---|----------------|---------------|----------|---------------|----------------|---------------|--------------|--------------|
| Oil and Gas Development Company Limited | 58,936 | 28,945 | 27,017 | 60,864 | 13,424 | 9.72 | 9.82 | 0.00 |
| Pakistan Oilfields Limited | 7,784 | 2,803 | 3,613 | 6,974 | 4,116 | 2.98 | 3.01 | 0.00 |
| Pakistan Petroleum Limited | 70,056 | 37,818 | 34,330 | 73,544 | 12,515 | 9.06 | 9.16 | 0.00 |
| | 136,776 | 69,566 | - | 64,960 | 141,382 | 30,055 | 21.76 | 21.99 |

| Investee Company | As at July 1, 2024 | Purchased during the year | Bonus / right shares received during the year | Sold during the year | As at June 30, 2025 | Market value as at June 30, 2025 | Market value as a percentage of | | Holding as a percentage of paid-up capital of investee company | | | | | | |
|---|--------------------|---------------------------|---|----------------------|---------------------|----------------------------------|---------------------------------|-----------------------------------|--|--|--|--|--|--|--|
| | | | | | | | Net Assets of the Fund | Total Market Value of Investments | | | | | | | |
| ----- Number of shares ----- | | | | | | (Rupees in '000) | ----- % ----- | | | | | | | | |
| FERTILIZERS | | | | | | | | | | | | | | | |
| Engro Corporation Limited | 19,460 | 2,193 | 21,653 | - | - | - | - | - | - | | | | | | |
| Engro Fertilizer Limited | 38,364 | 15,057 | 17,917 | 35,504 | 6,5894.77 | | 4.82 | 0.00 | | | | | | | |
| Fauji Fertilizer Company Limited | 37,252 | 8,958 | 12,608 | 33,602 | 13,186 | 9.55 | 9.65 | 0.00 | | | | | | | |
| | 95,076 | 26,208 | - | 52,178 | 69,106 | 19,775 | 14.32 | 14.47 | | | | | | | |
| CEMENT | | | | | | | | | | | | | | | |
| Lucky Cement Limited | 7,228 | 23,727 | 6,863 | 24,092 | 8,558 | 6.20 | 6.26 | | 0.01 | | | | | | |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | | | | | | | |
| The Hub Power Company Limited | 67,276 | 51,249 | 26,598 | 91,927 | 12,668 | 9.17 | 9.27 | | 0.01 | | | | | | |
| COMMERCIAL BANKS | | | | | | | | | | | | | | | |
| Bank AlFalah Limited | 47,260 | 45,853 | 93,113 | - | - | - | - | - | - | | | | | | |
| Habib Bank Limited | 51,708 | 17,155 | 24,483 | 44,380 | 7,9525.76 | | 5.83 | 0.00 | | | | | | | |
| Bank Al Habib Limited | 36,696 | 12,191 | 17,187 | 31,700 | 5,0023.62 | | 3.66 | 0.00 | | | | | | | |
| Meezan Bank Limited | 31,692 | 14,626 | 16,520 | 29,798 | 9,8957.17 | | 7.24 | 0.00 | | | | | | | |
| MCB Bank Limited | 24,464 | 6,495 | 13,207 | 17,752 | 5,1193.71 | | 3.75 | 0.00 | | | | | | | |
| United Bank Limited | 31,136 | 36,287 | 17,337 | 50,086 | 13,821 | 10.01 | 10.12 | 0.00 | | | | | | | |
| | 222,956 | 132,607 | - | 181,847 | 173,716 | 41,789 | 30.27 | 30.60 | | | | | | | |
| TECHNOLOGY & COMMUNICATION | | | | | | | | | | | | | | | |
| System Pakistan Limited | 11,676 | 44,008 | - | 10,670 | 45,014 | 4,8233.49 | | 3.53 | 0.02 | | | | | | |
| INV. BANKS / INV. COS. / SECURITIES COS. | | | | | | | | | | | | | | | |
| Engro Holdings Limited | - | 55,116 | - | 7,566 | 47,550 | 8,681 | 6.29 | 6.35 | 0.00 | | | | | | |
| AUTOMOBILE ASSEMBLER | | | | | | | | | | | | | | | |
| Millat Tractors Limited | - | 5,763 | - | 5,763 | - | - | - | - | | | | | | | |
| Total as at June 30, 2025 | | | | | | 136,641 | 98.95 | 100.00 | | | | | | | |
| Carrying value as at June 30, 2025 | | | | | | 105,324 | | | | | | | | | |
| Market value as at June 30, 2024 | | | | | | | 96,206 | | | | | | | | |
| Carrying value as at June 30, 2024 | | | | | | | | 61,203 | | | | | | | |
| * "0.00" figure due to rounding off | | | | | | | | | | | | | | | |

| 6.2 | Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - FVTPL | Note | 2025 | 2024 |
|-----|---|------|------------------------------|------------------------------|
| | | | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| | Market value of investments | 6.1 | 136,641 | 96,206 |
| | Less: carrying value of investments | 6.1 | (105,324) | (61,203) |
| | | | 31,317 | 35,003 |

7 DIVIDEND AND PROFIT RECEIVABLE

| | | | |
|------------------------------------|--|------------|------------|
| Profit receivable on bank balances | | 131 | 44 |
| Dividend receivable | | - | 287 |
| | | 131 | 331 |

8 ADVANCE TAX

 Note **2025** **2024**
 ----- (Rupees in '000) -----

| | | | |
|-------------|-----|-----------|-----------|
| Advance tax | 8.1 | 63 | 63 |
|-------------|-----|-----------|-----------|

- 8.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 151 and 150. However, withholding taxes on dividends and profit on bank balances paid to the Fund have been deducted by various withholding agents based on the interpretation issued by the FBR vide letter C. No. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015, which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholdee. The tax withheld on dividends and profit on bank balances as at June 30, 2024, amounts to Rs. 0.063 million (2023: Rs. 0.063 million).

For this purpose, Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding taxes deducted on profit on bank balances and dividend amount have been shown as Advance tax as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

| | | | |
|--|------|-------------|-------------|
| 9 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY | Note | 2025 | 2024 |
| Management remuneration | 9.1 | - | - |
| Sindh Sales Tax on management remuneration | 9.3 | - | - |
| Other payable to Management Company | | 20 | 20 |
| | | 20 | 20 |

- 9.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration under the following rates:

2025:

- From July 01, 2024 to June 30, 2025, at the rate of 0.00% of the average annual net assets of the Fund.

2024:

- From July 01, 2023 to June 30, 2024, at the rate of 0.00% of the average annual net assets of the Fund.

The remuneration is payable to the Management Company monthly in arrears.

- 9.2** During the year ended June 30, 2025 the SECP vide S.R.O. 600(I)/2025 dated April 10, 2025 revised the management fee cap to 3.00% to be calculated on a per annum basis of the average daily net assets, applicable to a "Equity Schemes". This revision is effective from July 01, 2025.

- 9.3** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from July 01, 2011. During the year, Sindh Sales Tax at the rate of 15% (June 30, 2024: 13%) was charged on management remuneration and sales load.

| 10 | PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2025 | 2024 |
|----|--|------|------------------------------|------------------------------|
| | | | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| | Trustee remuneration | 10.1 | 12 | 8 |
| | Sindh Sales Tax on trustee remuneration | 10.2 | 2 | 1 |
| | | | 14 | 9 |

- 10.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged its tariff as follows:

| Net assets (Rs) | 2025 | 2024 |
|------------------------------|---|---|
| | Fee | Fee |
| - up to Rs 1,000 million | 0.10% per annum of net assets | 0.10% per annum of net assets |
| - exceeding Rs 1,000 million | Rs 2.0 million plus 0.10% per annum of net assets, exceeding Rs 1,000 million | Rs 2.0 million plus 0.10% per annum of net assets, exceeding Rs 1,000 million |

- 10.2** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from July 01, 2011. During the year, Sindh Sales Tax at the rate of 15% (June 30, 2024: 13%) was charged on trustee remuneration.

| 11 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2025 | 2024 |
|----|--|------|------------------------------|------------------------------|
| | | | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| | Fee payable | 11.1 | 11 | 7 |

- 11.1** Under the provisions of the NBFC Regulations, a collective scheme categorized as "Index" scheme is required to pay an annual fee to SECP at an amount equal to 0.095% (June 30, 2025: 0.095%) per annum of the average net assets of the Fund. The fee is paid monthly in arrears.

| 12 | ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2025 | 2024 |
|----|---|------|------------------------------|------------------------------|
| | | | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| | Auditors' remuneration payable | | 408 | 314 |
| | Professional charges payable | | 235 | 134 |
| | Settlement charges payable | | 178 | 132 |
| | Printing charges payable | | 218 | 77 |
| | Withholding tax payable | | - | 1 |
| | Bank charges payable | | 77 | 52 |
| | Annual listing fee payable | | - | 19 |
| | | | 1,116 | 729 |

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025 (June 30, 2024: Nil) except as disclosed elsewhere in these financial statements.

| | 2025 | 2024 |
|---|-----------------------------|------------------|
| | ----- Number of units ----- | |
| 14 NUMBER OF UNITS IN ISSUE | | |
| Total units in issue at the beginning of the year | 5,560,000 | 5,460,000 |
| Add: Units issued against | | |
| - Sale | 920,000 | 150,000 |
| Less: units redeemed | (140,000) | (50,000) |
| Total units in issue at the end of the year | 6,340,000 | 5,560,000 |

| | 2025 | 2024 |
|---|------------------------------|------------|
| | ----- (Rupees in '000) ----- | |
| 15 AUDITORS' REMUNERATION | | |
| Annual audit fee | 220 | 200 |
| Half yearly review fee | 138 | 130 |
| Other certification | 105 | - |
| Out of pocket expenses and others including government levy | 87 | 267 |
| | 550 | 597 |

16 TAXATION

"The income of the Fund is exempt from income tax under 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 accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units as the case may be shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the fund for the year ended June 30, 2024 to the unit holders in the manner as explained above. Accordingly, no provision has been made in the financial statements for the year ended June 30, 2025. 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.

17 EARNINGS PER UNIT

Earnings Per Unit (EPU) has not been disclosed as in the opinion of the management, determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

18 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at June 30, 2025 is 1.49% (2024: 2.08%) which includes 0.14% (2024: 0.11%) representing government levies on the Fund such as sales tax, federal excise duty and annual fee to the SECP. The TER excluding government levies is 1.35% (2024: 1.97%) which is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Index" scheme.

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

19.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, any entity in which the Management Company, its CIs or their connected persons have a material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

- 19.2 Transactions with connected persons / related parties essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 19.3 Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 19.4 Details of transactions with related parties / connected persons during the year are as follows:

| | 2025 | 2024 |
|---|------------------------------|-------|
| | ----- (Rupees in '000) ----- | |
| NBP Fund Management Limited - Management Company | | |
| Remuneration of NBP Fund Management Limited - Management Company | - | - |
| Sindh Sales Tax on remuneration of Management Company | - | - |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 116 | 74 |
| Sindh Sales Tax on remuneration of Trustee | 17 | 10 |
| Settlement charges | 155 | 281 |
| Fauji Fertilizer Company Limited - Common Directorship | | |
| Purchase of 8,958 shares (2024: 7,513 shares) | 3,038 | 963 |
| Sale of 12,608 shares (2023: 6,843 shares) | 3,886 | 666 |
| Dividend income | 1,272 | 574 |
| Taurus Securities Limited - Subsidiary of Parent Company | | |
| Brokerage expense | 29 | 38 |
| JS Global Capital Limited - unit holder with more than 10% holding | | |
| Units purchased: 920,000 units (2024: 150,000 units) | 21,088 | 2,569 |
| Units redeemed: 140,000 units (2024: 50,000 units) | 2,870 | 295 |

- 19.5 Amounts / balances outstanding as at year end are as follows:

| | | |
|---|--------|--------|
| NBP Fund Management Limited - Management Company | | |
| Other payable to Management Company | 20 | 20 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee Remuneration | 12 | 8 |
| Sindh Sales Tax payable on Trustee remuneration | 2 | 1 |
| Settlement charges payable | 178 | 132 |
| Fauji Fertilizer Company Limited - Common Directorship | | |
| Shares held - 33,602 shares (2024: 37,252 shares) | 13,186 | 6,086 |
| JS Global Capital Limited - unit holder with more than 10% holding | | |
| Units held: 5,060,000 units (2024: 5,060,000 units) | 80,471 | 80,471 |

- 19.6 Other balances due to / from related parties / connected persons are included in the respective notes to these financial statements.

| June 30, 2025 | | |
|------------------------------|--------------------------------------|-------|
| At amortised cost | At fair value through profit or loss | Total |
| ----- (Rupees in '000) ----- | | |

20 FINANCIAL INSTRUMENTS BY CATEGORY
Financial assets

| | | | |
|--------------------------------|--------------|----------------|----------------|
| Bank balances | 1,999 | - | 1,999 |
| Investments | - | 136,641 | 136,641 |
| Dividend and profit receivable | 131 | - | 131 |
| | 2,130 | 136,641 | 138,771 |

Financial liabilities

| | | | |
|---|----------------|----------|----------------|
| Payable to NBP Fund Management Limited - Management Company | 20 | - | 20 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 14 | - | 14 |
| Dividend payable | - | - | - |
| Accrued expenses and other liabilities | 1,116 | - | 1,116 |
| | 1,150 | - | 1,150 |
| Net assets attributable to unitholders | 138,076 | - | 138,076 |

| June 30, 2024 | | |
|------------------------------|--------------------------------------|-------|
| At amortised cost | At fair value through profit or loss | Total |
| ----- (Rupees in '000) ----- | | |

Financial assets

| | | | |
|--------------------------------|--------------|---------------|---------------|
| Bank balances | 2,353 | - | 2,353 |
| Investments | - | 96,206 | 96,206 |
| Dividend and profit receivable | 331 | - | 331 |
| | 2,684 | 96,206 | 98,890 |

Financial liabilities

| | | | |
|---|---------------|----------|---------------|
| Payable to NBP Fund Management Limited - Management Company | 20 | - | 20 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 9 | - | 9 |
| Dividend payable | 9,766 | - | 9,766 |
| Accrued expenses and other liabilities | 728 | - | 728 |
| | 10,523 | - | 10,523 |
| Net assets attributable to unitholders | 88,422 | - | 88,422 |

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by Board of Directors and Audit Committee regularly to reflect changes in market conditions and the Fund's activities.

The management of these risks is carried out by the Investment Committee (IC) under policies approved by the Board of Directors of the Management Company. The IC is constituted and approved by the Board of Directors of the Management Company. IC is responsible to devise the investment strategy and manage the investment portfolio of the Fund in accordance with limits prescribed in the Non Banking Finance Companies and Notified Entities Regulations, 2008, Offering document of the Fund in addition to Fund's internal risk management policies.

The Fund primarily invests in a portfolio of listed equity securities. Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to market risk, credit risk and liquidity risk.

21.1 **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / interest rate risk, currency risk, and price risk.

(i) **Yield / profit rate risk**

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As at June 30, 2025, the Fund is exposed to such risk on its bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) **Sensitivity analysis for variable rate instruments**

Presently, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.020 million (2024: Rs. 0.024 million).

b) **Sensitivity analysis for fixed rate instruments**

As at June 30, 2025, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:

| June 30, 2025 | | | | | |
|------------------------------|---------------------------------------|---|--------------------|---|-------|
| Effective interest rate (%) | Exposed to yield / interest rate risk | | | Not exposed to yield / interest rate risk | Total |
| | Up to three months | More than three months and up to one year | More than one year | | |
| ----- (Rupees in '000) ----- | | | | | |

Financial assets

| | | | | | |
|--------------------------------|-------|-------|---|---------|---------|
| Bank balances | 9.50% | 1,999 | - | - | 1,999 |
| Investment | | - | - | 136,641 | 136,641 |
| Dividend and Profit receivable | | - | - | 131 | 131 |
| | | 1,999 | - | 136,772 | 138,771 |

Financial liabilities

| | | | | | |
|---|--|---|---|---------|---------|
| Payable to NBP Fund Management Limited | | | | | |
| - Management Company | | | | 20 | 20 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | | | | 14 | 14 |
| Dividend payable | | | | - | - |
| Accrued expenses and other liabilities | | | | 1,116 | 1,116 |
| Net assets attributable to unitholders | | | | 138,076 | 138,076 |
| | | - | - | 139,227 | 139,226 |

On-balance sheet gap (a)

| | | | | |
|-------|---|---|---------|-------|
| 1,999 | - | - | (2,455) | (455) |
|-------|---|---|---------|-------|

Off-balance sheet financial instruments

| | | | | |
|---|---|---|---|---|
| - | - | - | - | - |
|---|---|---|---|---|

Off-balance sheet gap (b)

| | | | | |
|-------|---|---|--|--|
| 1,999 | - | - | | |
|-------|---|---|--|--|

Total profit rate sensitivity gap (a+b)

| | | | | |
|-------|-------|-------|--|--|
| 1,999 | 1,999 | 1,999 | | |
|-------|-------|-------|--|--|

Cumulative profit rate sensitivity gap

| June 30, 2024 | | | | | |
|------------------------------|---------------------------------------|---|--------------------|---|-------|
| Effective interest rate (%) | Exposed to yield / interest rate risk | | | Not exposed to yield / interest rate risk | Total |
| | Up to three months | More than three months and up to one year | More than one year | | |
| ----- (Rupees in '000) ----- | | | | | |

Financial assets

| | | | | | |
|--------------------------------|--------|-------|---|--------|--------|
| Bank balances | 20.50% | 2,353 | - | - | 2,353 |
| Investment | | - | - | 96,206 | 96,206 |
| Dividend and Profit receivable | | - | - | 331 | 331 |
| | | 2,353 | - | 96,537 | 98,890 |

Financial liabilities

| | | | | | |
|---|--|---|---|--------|--------|
| Payable to NBP Fund Management Limited | | | | | |
| - Management Company | | | | 20 | 20 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | | | | 9 | 9 |
| Dividend payable | | | | 9,766 | 9,766 |
| Accrued expenses and other liabilities | | | | 728 | 728 |
| Net assets attributable to unitholder | | | | 88,422 | 88,422 |
| | | - | - | 98,945 | 98,945 |

On-balance sheet gap (a)

| | | | | |
|-------|---|---|---------|------|
| 2,353 | - | - | (2,408) | (55) |
|-------|---|---|---------|------|

Off-balance sheet financial instruments

| | | | | |
|---|---|---|---|---|
| - | - | - | - | - |
|---|---|---|---|---|

Off-balance sheet gap (b)

| | | | | |
|-------|---|---|--|--|
| 2,353 | - | - | | |
|-------|---|---|--|--|

Total profit rate sensitivity gap (a+b)

| | | | | |
|-------|-------|-------|--|--|
| 2,353 | 2,353 | 2,353 | | |
|-------|-------|-------|--|--|

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistani Rupees.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 6.1.

In case of 1% increase / decrease in NBP Pakistan Growth Index (NBPPGI) on June 30, 2025, with all other variables held constant, the total comprehensive income of the Fund for the year ended June 30, 2025 would increase / decrease by Rs. 1.366 million (2024: Rs. 0.962 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index has increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the NBPPGI, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the NBPPGI, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the NBPPGI.

21.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its bank balances. Risks attributable to bank balances are managed by maintaining balances in banks with a reasonably high credit rating.

The analysis below summarises the credit quality of the Fund's bank balances. The bank ratings are based on The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited.

| | 2025 | 2024 |
|----------------------------|------------------------|--------------|
| | ---(Rupees in '000)--- | |
| Balances with banks | | |
| AA+ | - | 3 |
| AA- | <u>1,999</u> | 2350 |
| | <u>1,999</u> | 2,353 |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2025 is the carrying amount of the financial assets.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities, in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund's transactions are entered into with credit worthy counterparties thereby mitigating any significant concentration of credit risk.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

Management of liquidity risk

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per NBFC Regulations, the fund can borrow in short-term to ensure settlement. The maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

Maturity analysis for financial liabilities

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, liabilities that are payable on demand have been included in the maturity grouping of one month:

| | June 30, 2025 | | | | | | |
|---|----------------|---|--|--|-------------------|--|----------------|
| | Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial instruments with no fixed maturity | Total |
| (Rupees in '000) | | | | | | | |
| Financial liabilities | | | | | | | |
| Payable to NBP Fund Management Limited | | | | | | | |
| - Management Company | 20 | - | - | - | - | - | 20 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 14 | - | - | - | - | - | 14 |
| Dividend payable | - | - | - | - | - | - | - |
| Accrued expenses and other liabilities | 708 | 408 | - | - | - | - | 1,116 |
| | 742 | 408 | - | - | - | - | 1,150 |
| Net assets attributable to unitholders | 138,076 | - | - | - | - | - | 138,076 |

| June 30, 2024 | | | | | | |
|---|---|--|--|-------------------|--|---------------|
| Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial instruments with no fixed maturity | Total |
| (Rupees in '000) | | | | | | |
| Financial liabilities | | | | | | |
| Payable to NBP Fund Management Limited - Management Company | 20 | - | - | - | - | 20 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 9 | - | - | - | - | 9 |
| Dividend payable | 9,766 | - | - | - | - | 9,766 |
| Accrued expenses and other liabilities | 414 | 314 | - | - | - | 728 |
| | 10,209 | 314 | - | - | - | 10,523 |
| Net assets attributable to unitholders | 88,422 | - | - | - | - | 88,422 |

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The units holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions on the subscription and redemption of units.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by short-term borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

International Financial Reporting Standard 13 (IFRS 13), 'Fair Value Measurement' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

| Note | June 30, 2025 | | | | | |
|------------------------------|---------------------------------------|----------------|------------|---------|---------|-------|
| | Carrying value | | Fair value | | | |
| | At fair value through profit and loss | Amortised cost | Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees in '000) ----- | | | | | | |

On-balance sheet financial instruments

Financial assets measured at fair value

Investment - Listed equity securities

| | | | | | |
|----------------|----------|----------------|----------|----------|----------------|
| 136,641 | - | 136,641 | - | - | 136,641 |
|----------------|----------|----------------|----------|----------|----------------|

Financial assets not measured at fair value

23.1

Bank balances
Dividend and profit receivable

| | |
|----------|--------------|
| - | 1,999 |
| - | 131 |
| - | 2,130 |

Financial liabilities not measured at fair value

23.1

Payable to NBP Fund Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Dividend payable
Accrued expenses and other liabilities
Net assets attributable to unitholders

| | |
|----------|----------------|
| - | 20 |
| - | 14 |
| - | 1,116 |
| - | 138,076 |
| - | 139,226 |

| June 30, 2024 | | | | | |
|---------------------------------------|----------------|------------|---------|---------|-------|
| Carrying value | | Fair value | | | |
| At fair value through profit and loss | Amortized cost | Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees in '000) ----- | | | | | |

On-balance sheet financial instruments

Financial assets measured at fair value

Investment - Listed equity securities

| | | | | | |
|---------------|----------|---------------|----------|----------|---------------|
| 96,206 | - | 96,206 | - | - | 96,206 |
|---------------|----------|---------------|----------|----------|---------------|

Financial assets not measured at fair value

23.1

Bank balances
Dividend and profit receivable

| | |
|----------|--------------|
| - | 2,353 |
| - | 331 |
| - | 2,684 |

Financial liabilities not measured at fair value

23.1

Payable to NBP Fund Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Dividend Payable
Accrued expenses and other liabilities
Net assets attributable to unitholders

| | |
|----------|---------------|
| - | 20 |
| - | 9 |
| - | 9,766 |
| - | 728 |
| - | 88,422 |
| - | 98,945 |

- 23.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

23.2 Financial instruments not measured at FVTPL include net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value.

24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

| Name of broker | 2025 % of commission paid | Name of broker | 2024 % of commission paid |
|---|------------------------------------|---|------------------------------------|
| Taurus Securities Ltd. | 16.02% | Taurus Securities Limited | 46.42% |
| J.S. Global Capital Ltd. | 15.60% | Aqeel Karim Dehdhi Securities (Pvt.) Ltd. | 28.07% |
| Intermarket Securities (New) | 12.77% | Intermarket Securities | 7.11% |
| Foundation Securities | 10.42% | Alfalah Securities (Pvt.) Ltd. | 6.29% |
| Insight Securities (Pvt.) Limited | 8.49% | Topline Securities Limited | 4.20% |
| Intermarket Securities | 7.73% | Insight Securities (Pvt.) Ltd. | 4.11% |
| Chase Securities Pakistan (Pvt) Limited | 4.40% | Foundation Securities | 3.80% |
| Alpha Capital (Pvt) Limited | 4.20% | | |
| Optimus Capital Management Limited | 3.95% | | |
| Topline Securities Limited | 3.90% | | |

25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

| Name | Designation | Qualification | Overall experience in years |
|---------------------|-----------------------------|--|-----------------------------------|
| Dr. Amjad Waheed | Chief Executive Officer | MBA / Doctorate in Business Administration / CFA | 37 |
| Asim Wahab Khan | Chief Investment Officer | CFA | 19 |
| Hassan Raza | Head of Research | ACCA / BSC / CFA | 14 |
| Salman Ahmed (25.1) | Head of Fixed Income | CFA | 20 |
| Usama Bin Razi | Senior Manager Fixed Income | BE, MBA | 21 |

25.1 The name of the Fund Manager is Salman Ahmed. Other funds managed by the Fund Manager are as follows:

- NBP Government Securities Liquid Fund
- NBP Money Market Fund
- NBP Government Securities Savings Fund
- NBP Mahana Amdani Fund
- NBP Financial Sector Income Fund
- NBP Income Opportunity Fund
- NBP Savings Fund
- NBP Mustahkam Fund - I
- NBP Mustahkam Fund - II
- NBP Income Fund Of Fund
- NBP Government Securities Fund – I
- NBP Islamic Daily Dividend Fund
- NBP Riba Free Savings Fund

- NBP Islamic Mahana Amdani Fund
- NBP Islamic Savings Fund
- NBP Islamic Income Fund
- NBP Islamic Money Market Fund
- NBP Islamic Mustahkam Fund
- NBP Islamic Government Securities Fund – I

26 PATTERN OF UNIT HOLDING

| Category | June 30, 2025 | | | June 30, 2024 | | |
|----------------------------|------------------------|-------------------|---------------------|------------------------|-------------------|---------------------|
| | Number of unit holders | Investment amount | Percentage of total | Number of unit holders | Investment amount | Percentage of total |
| ----- Rupees in '000 ----- | | | | | | |
| Others | 2 | 138,076 | 100.00% | 2 | 88,422 | 100.00% |

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 98th, 99th, 100th, 101st, 102nd, 103rd, 104th, and 105th Board Meetings were held on July 26, 2024, August 23, 2024, September 25, 2024, October 24, 2024, October 30, 2024, November 06, 2024, February 26, 2025, and April 30, 2025, respectively. Information in respect of attendance by directors in the meetings is given below:

| Name of director | Number of meetings | | | Meetings not attended |
|-----------------------------------|--------------------|----------|---------------|-----------------------|
| | Held | Attended | Leave granted | |
| Shaikh Muhammad Abdul Wahid Sethi | 8 | 8 | - | - |
| Tauqeer Mazhar* | 1 | 1 | - | - |
| Faisal Ahmed** | 2 | 2 | - | - |
| Mehnaz Salar | 8 | 8 | - | - |
| Ali Saigol | 8 | 7 | 1 | 100th Meeting |
| Imran Zaffar | 8 | 7 | 1 | 98th Meeting |
| Khalid Mansoor | 8 | 8 | - | - |
| Saad Amanullah Khan | 8 | 8 | - | - |
| Ruhail Muhammad*** | 6 | 6 | - | - |
| Umar Ahsan Khan**** | 0 | 0 | - | - |
| Amjad Waheed | 8 | 8 | - | - |

* Mr. Tauqeer Mazhar resigned from the Board on August 21, 2024.

** Mr. Faisal Ahmed was appointed on the Board on August 23, 2024, and his approval was granted by SECP on November 21, 2024.

*** Ruhail Muhammad resigned from the Board on December 16, 2024.

**** Mr. Umar Ahsan Khan was appointed on the Board on March 03, 2025, and his approval was granted by SECP on May 16, 2025.

28 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

29 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified wherever necessary to confirm to the presentation adopted in the current year.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 21, 2025.

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

| Particulars | For the year ended June 30, 2025 | For the year ended June 30, 2024 | For the year ended June 30, 2023 | For the year ended June 30, 2022 | For the year ended June 30, 2021 |
|---|--|--|--|--|--|
| | (Rs. In '000') |
| Net assets at the year / period ended (Rs. '000) | 138,076 | 88422 | 53639 | 51,992 | 61,629 |
| Net Income / (loss) at the year / period ended (Rs. '000) | 56,259 | 45413 | 2790 | (8,108) | 9,725 |
| Net Asset Value per unit at the year / period ended (Rs.) | 21.7785 | 15.9033 | 9.824 | 9.4530 | 10.9271 |
| Offer price per unit | N/A | N/A | N/A | N/A | N/A |
| Redemption price per unit | 21.7785 | 15.9033 | 9.824 | 9.4530 | 10.9271 |
| Ex - Highest offer price per unit (Rs.) | N/A | N/A | N/A | N/A | N/A |
| Ex - Lowest offer price per unit (Rs.) | N/A | N/A | N/A | N/A | N/A |
| Ex - Highest redemption price per unit (Rs.) | 21.7785 | 16.0181 | 10.2989 | 11.1977 | 11.3811 |
| Ex - Lowest redemption price per unit (Rs.) | 13.7342 | 9.0681 | 8.7721 | 9.3625 | 9.1936 |
| Fiscal Year Opening Ex Nav | 13.9525 | 8.5790 | 9.3200 | 10.9271 | 9.3352 |
| Total return of the fund | 56.09% | 85.38% | 5.41% | -13.49% | 17.10% |
| Capital growth | 42.11% | 74.41% | 0.33% | -13.49% | 9.98% |
| Income distribution as a % of ex nav | 13.98% | 10.97% | 5.08% | - | 7.12% |
| Income distribution as a % of par value | 29.84% | 17.57% | 4.80% | - | 8.00% |
| Distribution | | | | | |
| Interim distribution per unit | 2.9842 | 1.7565 | 0.140 | - | 0.800 |
| Final distribution per unit | - | - | 0.340 | - | |
| Distribution date | | | | | |
| Interim | 26-Jun-25 | 27-Jun-24 | 27-Jun-23 | - | 19-Jun-21 |
| Final | | | 19-Sep-23 | | |
| Average annual return of the Fund (launch date October 06' 2020) | | | | | |
| (Since inception to June 30, 2025) | 26.88% | | | | |
| (Since inception to June 30, 2024) | | 20.03% | | | |
| (Since inception to June 30, 2023) | | | 2.41% | | |
| (Since inception to June 30, 2022) | | | | 0.73% | |
| (Since inception to June 30, 2021) | | | | | 17.10% |

"Past performance is not necessarily indicative of future performance and that unit prices and investment return returns may go down, as well as up."

PROXY ISSUED BY THE FUND

The proxy voting policy of **NBP Pakistan Growth Exchange Traded Fund** duly approved by Board of Directors of the Management Company, is available on the website of NBP Fund Management Limited i.e. www.nbpfunds.com. A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

| NBP PAKISTAN GROWTH EXCHANGE TRADED FUND | | | |
|--|------|---------|----------|
| Resolutions | For | Against | Abstain* |
| 1 | 1 | Nil | N/A |
| 100% | 100% | - | - |

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