



Islamic Savings

NBP Fund Management Limited



NBP ISLAMIC GOVERNMENT SECURITIES FUND - I

QUARTERLY REPORT
SEPTEMBER 30, 2025

AM1
Rated by PACRA



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. Tahir Jawaid | Director |
| Mr. Saad Muzaffar Waraich | 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. Umar Ahsan Khan | Chairman |
| Ms. Mehnaz Salar | Member |
| Mr. Imran Zaffar | Member |
| Mr. Saad Muzaffar Waraich | Member |

Human Resource & Remuneration Committee

| | |
|-----------------------------------|----------|
| Mr. Tahir Jawaid | Chairman |
| Shaikh Muhammad Abdul Wahid Sethi | Member |
| Mr. Ali Saigol | Member |
| Mr. Faisal Ahmed | Member |
| Mr. Umar Ahsan Khan | Member |

Business Strategy & IT Committee

| | |
|-----------------------------------|----------|
| Mr. Saad Muzaffar Waraich | Chairman |
| Shaikh Muhammad Abdul Wahid Sethi | Member |
| Mr. Faisal Ahmed | Member |
| Mr. Ali Saigol | Member |
| Mr. Imran Zaffar | Member |
| Mr. Tahir Jawaid | 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

Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Meezan Bank Limited
Soneri Bank Limited
United Bank Limited

**Auditors**

Grant Thornton Anjum Rahman.
1st & 3rd Floor,
Modern Motors House, Beaumont Road,
Karachi, 75530

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Islamic Government Securities Plan- III (NIGSP-III)** for the quarter ended September 30, 2025.

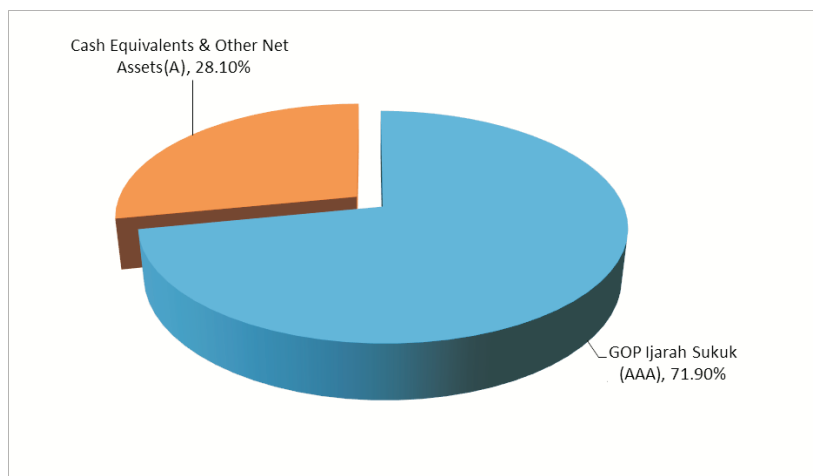
Fund's Performance

During the July-September 2025 quarter, the State Bank of Pakistan (SBP) maintained the policy rate at 11% to contain inflation, prioritizing price stability amid evolving macroeconomic conditions. Headline inflation rose to 5.6% in September from 3.0% in August, however, the average inflation for Q1 eased to 4.2%, down from 9.2% last year. Core inflation continued its downward trajectory, although recent floods have disrupted food supply chains, causing prices to rise. Average inflation for FY26 is projected to remain within the SBP's 5%-7% target range, though a mild uptick is expected during later half of the year due to the base effect. The real GDP growth for FY26 is projected between 3.0% and 3.5%, lower than government's target due to the impact of flood-related agricultural losses and inflationary pressures. Nonetheless, the economy remains resilient, supported by policy reforms, improved fiscal discipline, and external sector stability. The current account deficit was USD 624 million for July-August. Foreign exchange reserves stood at USD 14.4 billion on September 26th and are projected to reach USD 17 billion by June-26. Fiscal performance improved, with a primary surplus expected in Q1 FY26, aided by a Rs. 2.4 trillion SBP profit transfer and higher petroleum levies. The Ministry of Finance conducted three Ijarah Sukuk auctions through Pakistan Stock Exchange, realizing a total of Rs. 566 billion. Besides, in the corporate debt market, long-term sukuk issuances remained infrequent with limited secondary trading, while short-term sukuks saw notable activity with fresh issuance, driven by rising working capital needs. Overall, the macroeconomic landscape is stabilizing, with coordinated monetary and fiscal policies helping to manage inflation, support recovery, and build resilience against future shocks.

NIGSP-III is categorized as a Shariah Compliant Income Fund and has been awarded stability rating of 'AA (f)' by PACRA. The fund aims to provide investors with attractive returns, by investing primarily in Shariah Compliant Government Securities.

The size of NBP Islamic Government Securities Plan- III decreased by 10% from Rs. 2,807 million to Rs. 2,533 million. The unit price of the Fund has increased from Rs. 10.0433 on June 30, 2025 to Rs. 10.2667 on September 30, 2025, thus showing return of 8.8% p.a. as compared to its benchmark return of 10.0% p.a. for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 68.20 million during the period. After deducting total expenses of Rs. 10.47 million, the net income is Rs. 57.73 million. The asset allocation of NIGSP-III as on September 30, 2025 is as follows:



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: **October 30, 2025**

Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2025ء کو ختم ہونے والی سہ ماہی کے لئے NBP اسلامک گورنمنٹ سیکورٹیز پلان-III (NIGSP-III) کے غیر جانچ شدہ کنڈینسڈ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

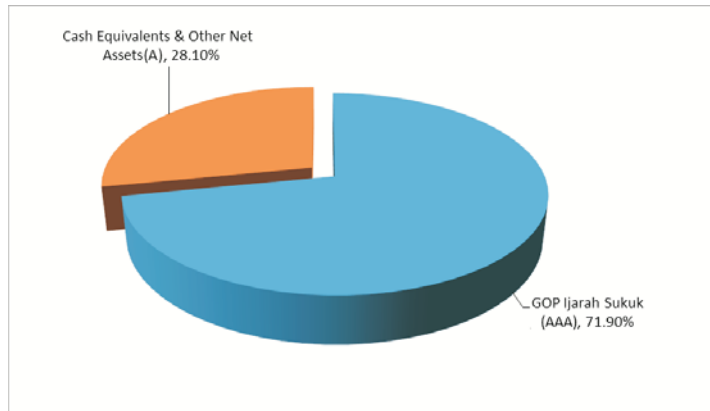
فنڈ کی کارکردگی

جولائی - ستمبر 2025 کی سہ ماہی کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مہنگائی پر قابو پانے کے لیے پالیسی ریٹ کو 11 فیصد پر برقرار رکھا، ترقی پذیر میکرو اکنامک حالات کے درمیان قیمتوں کے استحکام کو ترجیح دی۔ ہیڈ لائن افراط زر اگست میں 3.0 فیصد سے بڑھ کر ستمبر میں 5.6 فیصد ہو گئی، تاہم، پہلی سہ ماہی کے لیے اوسط مہنگائی گزشتہ سال سے 9.2 فیصد کم ہو کر 4.2 فیصد ہو گئی۔ بنیادی افراط زر نے اپنی گرتی ہوئی رفتار کو جاری رکھا، حالانکہ حالیہ سیلاب نے خوراک کی فراہمی کے سلسلہ کو متاثر کیا ہے، جس کی وجہ سے قیمتیں بڑھ رہی ہیں۔ مالی سال 26 کے لیے اوسط افراط زر SBP کے ہدف 7%-5% کی حد میں رہنے کا امکان ہے، حالانکہ بنیادی اثر کی وجہ سے سال کی آخری ششماہی میں معمولی اضافہ متوقع ہے۔ مالی سال 26 کے لیے حقیقی جی ڈی پی نمو 3.0 فیصد اور 3.5 فیصد کے درمیان متوقع ہے، جو کہ سیلاب سے متعلقہ زرعی نقصانات اور افراط زر کے دباؤ کی وجہ سے حکومت کے ہدف سے کم ہے۔ بہر حال، معیشت پالیسی اصلاحات، بہتر مالیاتی نظم و ضبط، اور بیرونی شعبے کے استحکام کی مدد سے مستحکم ہے۔ جولائی تا اگست تک کرنٹ اکاؤنٹ خسارہ 624 ملین امریکی ڈالر تھا۔ غیر ملکی زرمبادلہ کے ذخائر 26 ستمبر کو 14.4 بلین امریکی ڈالر تھے اور 26 جون تک 17 بلین امریکی ڈالر تک پہنچنے کا امکان ہے۔ مالی سال 26 کی پہلی سہ ماہی میں متوقع پرائمری سرپلس کے ساتھ، 2.4 ٹریلین روپے تک SBP منافع کی منتقلی اور زیادہ پٹرولیم لیویز کی مدد سے مالیاتی کارکردگی بہتر ہوئی۔ وزارت خزانہ نے پاکستان اسٹاک ایکسچینج کے توسط سے تین اجارہ سلوک کی نیلامیاں منعقد کیں جس سے مجموعی طور پر 566 ملین روپے کی وصولی ہوئی۔ اس کے علاوہ، کارپوریٹ ڈیٹ مارکیٹ میں، بڑھتی ہوئی ورکنگ کپٹل کی ضروریات کی وجہ سے قلیل مدتی سکوکس نے نئے اجراء کے ساتھ قابل ذکر سرگرمی دیکھی ہے۔ مجموعی طور پر، میکرو اکنامک منظر نامہ مستحکم ہو رہا ہے، جو مربوط مانیٹری اور مالیاتی پالیسیاں مہنگائی پر قابو پانے، بحالی میں مدد دینے اور مستقبل کے شکس کے خلاف چلک پیدا کرنے میں مددگار ہیں۔

NIGSP-III کی شریعہ کمپلیٹ انکم فنڈ کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے اسے 'AA(f)' کی اسٹیبلٹی ریٹنگ تفویض کی گئی ہے۔ اس فنڈ کا مقصد بنیادی طور پر شریعہ کمپلیٹ گورنمنٹ سیکورٹیز میں سرمایہ کاری کر کے سرمایہ کاروں کو بڑھتی ہوئی منافع فراہم کرنا ہے۔

مدت کے دوران فنڈ NBP اسلامک گورنمنٹ سیکورٹیز پلان-III کا سائز 2,807 ملین روپے سے کم ہو کر 2,533 ملین روپے (یعنی 10 فیصد کمی) ہو گیا۔ فنڈ کے یونٹ کی قیمت 30 جون 2025 کو 10.0433 روپے سے بڑھ کر 30 ستمبر 2025 کو 10.2667 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 10.0 فیصد سالانہ کے مقابلے میں 8.8 فیصد سالانہ منافع درج کیا ہے۔ فنڈ کی بیکار کردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 68.20 ملین روپے کی مجموعی آمدنی کمائی۔ 10.47 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 57.73 ملین روپے ہے۔ NIGSP-III کی ایسٹ ایلوکیشن بمطابق 30 ستمبر 2025ء درج ذیل ہے۔





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔
بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2025ء

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2025

| | | (Un-audited) September 30, 2025 | (Audited) June 30, 2025 |
|---|------|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Bank balances | 4 | 644,820 | 222,781 |
| Investments | 5 | 1,821,372 | 1,880,135 |
| Profit receivable | | 97,209 | 33,304 |
| Prepayments, deposits and other receivables | | 148 | 196 |
| Preliminary expenses and floatation costs | | 328 | 374 |
| Receivables against transfer of units | | 2,932 | 1,005,681 |
| Total assets | | 2,566,809 | 3,142,471 |
| LIABILITIES | | | |
| Payable to NBP Fund Management Limited - the Management Company | | 5,717 | 12,658 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | | 122 | 241 |
| Payable to the Securities and Exchange Commission of Pakistan | | 145 | 199 |
| Accrued expenses and other liabilities | | 6,230 | 30,430 |
| Payable against redemption of units | | 21,369 | 292,321 |
| Total liabilities | | 33,583 | 335,849 |
| NET ASSETS | | 2,533,226 | 2,806,622 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 2,533,226 | 2,806,622 |
| CONTINGENCIES AND COMMITMENTS | 6 | | |
| | | Number of units | |
| NUMBER OF UNITS IN ISSUE | | 246,742,072 | 279,452,673 |
| | | (Rupees) | |
| NET ASSET VALUE PER UNIT | | 10.2667 | 10.0433 |

The annexed notes 1 to 13 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

| | NBP Islamic Government Securities Plan - III September 30, 2025 | NBP Islamic Government Securities Plan - III September 30, 2024 |
|---|---|---|
| | ----- (Rupees in '000) ----- | |
| INCOME | | |
| Income on GoP ijarah sukuks certificates | 53,740 | 73,330 |
| Profit on bank balances | 18,083 | 27,280 |
| Loss on sale of investments - net | (73) | (60) |
| Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net | (3,548) | 36,689 |
| Total income | 68,202 | 137,239 |
| EXPENSES | | |
| Remuneration of NBP Fund Management Limited - the Management Company | 7,735 | 4,209 |
| Sindh sales tax on remuneration of the Management Company | 1,160 | 631 |
| Remuneration of Central Depository Company of Pakistan Limited - the Trustee | 361 | 309 |
| Sindh sales tax on remuneration of the Trustee | 54 | 46 |
| Fee to the Securities and Exchange Commission of Pakistan | 492 | 421 |
| Amortisation of preliminary expenses and floatation costs | 46 | 46 |
| Auditors' remuneration | 165 | 76 |
| Legal and professional charges | 19 | 19 |
| Listing fee | 8 | 8 |
| Shariah advisory fee | 223 | 63 |
| Settlement and bank charges | 130 | 113 |
| Printing charges | - | 13 |
| Securities transaction costs | 33 | 90 |
| Rating fee | 46 | 44 |
| Total expenses | 10,472 | 6,087 |
| Net income for the period before taxation | 57,730 | 131,152 |
| Taxation | - | - |
| Net income for the period after taxation | 57,730 | 131,152 |
| Allocation of net profit for the period | | |
| Net income for the period after taxation | 57,730 | 131,152 |
| Income already paid on units redeemed | (10,516) | (5,749) |
| | 47,214 | 125,403 |
| Accounting income available for distribution | | |
| - Relating to capital gains | - | 36,629 |
| - Excluding capital gains | 47,214 | 88,774 |
| | 47,214 | 125,403 |

The annexed notes 1 to 13 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

| | <div> NBP Islamic Government Securities Plan - III </div> <div> September 30, 2025 </div> | <div> NBP Islamic Government Securities Plan - III </div> <div> September 30, 2024 </div> |
|--|---|---|
| | ----- (Rupees in '000) ----- | |
| Net income for the period after taxation | 57,730 | 131,152 |
| Other comprehensive income for the period | - | - |
| Total comprehensive income for the period | <u>57,730</u> | <u>131,152</u> |

The annexed notes 1 to 13 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

| | NBP Islamic Government Securities Plan - III September 30, 2025 | | | NBP Islamic Government Securities Plan - III September 30, 2024 | | |
|--|--|----------------------|------------------|--|----------------------|------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| Net assets at the beginning of the period | 2,801,699 | 4,923 | 2,806,622 | 609,648 | 1,645 | 611,293 |
| Issuance of 86,962,400 units (2024: 485,219,088 Units) | | | | | | |
| - Capital value (at ex - net asset value per unit) | 873,389 | - | 873,389 | 4,865,340 | - | 4,865,340 |
| - Element of income | 9,333 | - | 9,333 | 184,096 | - | 184,096 |
| Total proceeds on issuance of units | 882,722 | - | 882,722 | 5,049,436 | - | 5,049,436 |
| Redemption of 119,673,001 units (2024: 46,552,752 Units) | | | | | | |
| - Capital value (at ex - net asset value per unit) | (1,201,912) | - | (1,201,912) | (466,790) | - | (466,790) |
| - Element of loss | (1,420) | (10,516) | (11,936) | (14,468) | (5,749) | (20,217) |
| Total payments on redemption of units | (1,203,332) | (10,516) | (1,213,848) | (481,258) | (5,749) | (487,007) |
| Total comprehensive income for the period | - | 57,730 | 57,730 | - | 131,152 | 131,152 |
| Net assets at the end of the period | 2,481,089 | 52,137 | 2,533,226 | 5,177,826 | 127,048 | 5,304,874 |
| Undistributed income brought forward | | | | | | |
| - Realised Loss | | (11,214) | | | (149) | |
| - Unrealised income | | 16,137 | | | 1,794 | |
| | | 4,923 | | | 1,645 | |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | | - | | | 36,629 | |
| - Excluding capital gains | | 47,214 | | | 88,774 | |
| | | 47,214 | | | 125,403 | |
| Distributions during the period | | - | | | - | |
| Undistributed income carried forward | | 52,137 | | | 127,048 | |
| Undistributed income carried forward: | | | | | | |
| - Realised Income | | 52,137 | | | 90,359 | |
| - Unrealised income | | - | | | 36,689 | |
| | | 52,137 | | | 127,048 | |
| | | | (Rupees) | | | (Rupees) |
| Net asset value per unit at the beginning of the period | | | 10.0433 | | | 10.0271 |
| Net asset value per unit at the end of the period | | | 10.2667 | | | 10.6176 |

The annexed notes 1 to 13 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

| | NBP Islamic Government Securities Plan - III | NBP Islamic Government Securities Plan - III |
|---|---|---|
| Note | September 30, 2025 | September 30, 2024 |
| | ----- (Rupees in '000) ----- | |
| Net income for the period before taxation | 57,730 | 131,152 |
| Adjustments: | | |
| Income on GoP ijarah sukuks certificates | (53,740) | (73,330) |
| Profit on bank balances | (18,083) | (27,280) |
| Loss on sale of investments - net | 73 | 60 |
| Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net | 3,548 | (36,689) |
| Amortisation of preliminary expenses and floatation costs | 46 | 46 |
| | (68,156) | (137,193) |
| Increase in assets | | |
| Investments | 55,142 | (2,903,087) |
| Prepayments, deposits and other receivables | 48 | 44 |
| | 55,190 | (2,903,043) |
| Increase in liabilities | | |
| Payable to NBP Fund Management Limited - the Management Company | (6,941) | 12,708 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | (119) | 160 |
| Payable to the Securities and Exchange Commission of Pakistan | (54) | 188 |
| Accrued expenses and other liabilities | (24,200) | (55) |
| | (31,314) | 13,001 |
| Profit received on bank balances and GoP Ijara sukuks certificates | 7,918 | (22,604) |
| Net cash used in operating activities | 21,368 | (2,918,687) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amount received against issuance of units - net of refund of capital | 1,885,471 | 4,852,624 |
| Amount paid against redemption of units | (1,484,800) | (449,128) |
| Net cash generated from financing activities | 400,671 | 4,403,496 |
| Net increase in cash and cash equivalents during the period | 422,039 | 1,484,809 |
| Cash and cash equivalents at the beginning of the period | 222,781 | 19,194 |
| Cash and cash equivalents at the end of the period | 644,820 | 1,504,003 |

The annexed notes 1 to 13 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 THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025****1 LEGAL STATUS AND NATURE OF BUSINESS**

NBP Islamic Government Securities Fund - I (the Fund) was established under a Trust Deed executed 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 26, 2023, in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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).

The Fund has been categorised as an open ended Shariah compliant income fund by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from January 19, 2024 and are transferable and redeemable by surrendering them to the Fund.

The objective of NBP Islamic Government Securities Plan - III is to earn attractive returns with capital preservation by investing primarily in Government Securities. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on May 05, 2025 (2024: AM1 on June 21, 2024). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has given the stability rating of the Fund to AA(f) on April 17, 2025 (2024: AA(f) on March 13, 2024).

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.

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

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

- International Financial Reporting Standards (IFRS Accounting 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 Accounting 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.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2024.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2025.

These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2025.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2025. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2025.

| 4 | BANK BALANCES | Note | (Un-audited) | (Audited) |
|-----|--|------|------------------------------|------------------|
| | | | September 30,2025 | June 30,2025 |
| | | | ----- (Rupees in '000) ----- | |
| | Balances with banks in savings accounts | 4.1 | 644,556 | 221,995 |
| | Current accounts | | 264 | 786 |
| | | | <u>644,820</u> | <u>222,781</u> |
| 4.1 | The savings accounts of the Fund carry profit at the rate ranging from 0.1% to 10.40% per annum (June 2025: 0.1% to 10.40%) per annum. | | | |
| 5 | Investments - 'at fair value through profit or loss' | Note | (Un-audited) | (Audited) |
| | | | September 30,2025 | June 30,2025 |
| | | | ----- (Rupees in '000) ----- | |
| | GoP ijarah sukuks certificates | 5.1 | 1,821,372 | 1,880,135 |
| | | | <u>1,821,372</u> | <u>1,880,135</u> |

5.1 GoP Ijarah sukuks certificates

| Name of the security | Profit payments / principal redemptions | Issue date | Maturity date | Profit rate / yield | As at July 1, 2025 | Purchased during the year | Sold / matured during the year | As at June 30, 2025 | Carrying value as at September 30, 2025 | Market value as at September 30, 2025 | Unrealised appreciation / (diminution) | Market value as a percentage of | |
|---|---|-----------------------|-----------------------|--------------------------------------|--------------------------|---------------------------------|---|---------------------------|--|--|--|-------------------------------------|------------------------------|
| | | | | | | | | | | | | total investments of the Fund | net assets of the Fund |
| | | | | | | | | | | Number of certificates | | | (Rupees in '000) |
| GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate) | At maturity | July 26, 2024 | July 25, 2025 | 17.23% | 999 | - | 999 | - | - | - | - | 0.00% | 0.00% |
| GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate) | At maturity | August 16, 2024 | August 15, 2025 | 15.99% | 99,995 | 49,999 | 149,994 | - | - | - | - | 0.00% | 0.00% |
| GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate) | At maturity | October 21, 2024 | October 20, 2025 | 11.75% | 24,998 | - | - | 24,998 | 124,378 | 124,352 | (26) | 6.83% | 4.91% |
| GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate) | At maturity | November 7, 2024 | November 6, 2025 | 11.00% | 396 | - | - | 396 | 1,962 | 1,961 | (1) | 0.11% | 0.08% |
| GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate) | At maturity | December 4, 2024 | December 3, 2025 | 11.00% | 18,578 | 20,000 | - | 38,578 | 189,634 | 189,553 | (81) | 10.41% | 7.48% |
| GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate) | At maturity | January 9, 2025 | January 8, 2026 | 10.42% | 37,500 | - | - | 37,500 | 182,791 | 182,601 | (190) | 10.03% | 7.21% |
| GoP Ijarah sukuk GIS - VRR - XXIV (Face value of Rs. 100,000 per certificate) | Semi-annually / At maturity | October 29, 2021 | October 29, 2026 | Weighted average 6 months T-Bills | 59 | - | - | 59 | 5,959 | 5,935 | (24) | 0.33% | 0.23% |
| GoP Ijarah sukuk GIS - VRR - XLI (Face value of Rs. 100,000 per certificate) | Semi-annually / At maturity | December 4, 2023 | December 4, 2026 | Weighted average 6 months T-Bills | 11 | - | - | 11 | 1,107 | 1,106 | (1) | 0.06% | 0.04% |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXVIII (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity | June 28, 2024 | June 28, 2027 | Weighted average 6 months T-Bills | 5,000 | - | - | 5,000 | 25,242 | 25,235 | (7) | 1.39% | 1.00% |
| GoP Ijarah sukuk GIS - Listed Sukuk FRR - XVIII (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity | September 18, 2024 | September 18, 2027 | 13.89% | 12,500 | - | - | 12,500 | 66,250 | 66,313 | 63 | 3.64% | 2.62% |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XVIII (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity | September 18, 2024 | September 18, 2027 | Weighted average 6 months T-Bills | 82,500 | - | - | 82,500 | 415,841 | 414,398 | (1,443) | 22.75% | 16.36% |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXI (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity | October 21, 2024 | October 21, 2027 | Weighted average 6 months T-Bills | 25,000 | - | - | 25,000 | 126,038 | 125,438 | (600) | 6.89% | 4.95% |
| GoP Ijarah sukuk GIS - Listed Sukuk FRR - XXI (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity | October 21, 2024 | October 21, 2027 | 12.00% | 12,500 | - | - | 12,500 | 64,331 | 64,781 | 450 | 3.56% | 2.56% |
| GoP Ijarah sukuk GIS - VRR - XXVI (Face value of Rs. 100,000 per certificate) | Semi-annually / At maturity | October 26, 2022 | October 26, 2027 | Weighted average 6 months T-Bills | 30 | - | - | 30 | 3,045 | 3,029 | (16) | 0.17% | 0.12% |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXVIII (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity | June 28, 2024 | June 28, 2029 | Weighted average 6 months T-Bills | 5,000 | - | - | 5,000 | 25,265 | 25,087 | (178) | 1.38% | 0.99% |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXVIII (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity | September 18, 2024 | September 18, 2029 | Weighted average 6 months T-Bills | 12,500 | - | - | 12,500 | 63,644 | 63,106 | (538) | 3.46% | 2.49% |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXI (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity | October 21, 2024 | October 21, 2029 | Weighted average 6 months T-Bills | 25,000 | - | - | 25,000 | 127,312 | 126,100 | (1,212) | 6.92% | 4.98% |
| GoP Ijarah sukuk GIS - Listed Sukuk FRR - XXI (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity | October 21, 2024 | October 21, 2029 | 12.10% | 12,500 | - | - | 12,500 | 66,213 | 66,738 | 525 | 3.66% | 2.63% |
| GoP Ijarah sukuk GIS - Listed Sukuk FRR - XXI (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity | July 24, 2025 | July 23, 2026 | 9.90% | - | 72,500 | - | 72,500 | 335,883 | 335,639 | (244) | 18.43% | 13.25% |
| Total as at September 30, 2025 | | | | | | | | | 1,824,895 | 1,821,372 | (3,523) | 100% | 72% |
| Total as at June 30, 2025 | | | | | | | | | 1,863,998 | 1,880,135 | 16,137 | 100% | 94.14% |

6 CONTINGENCIES AND COMMITMENTS

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

7 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, wherein the SECP has excluded the chargeability of selling and marketing expenses from the Schedule.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

As per NBFC Regulation 62(1) w.e.f. July 01, 2023, the Asset Management Company, within fifteen days of the close of every calendar month of the Collective Investment Scheme, shall pay the Commission non-refundable fee which is 0.075% of average annual net assets of this CIS.

9 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. 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 intended the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed financial statements during the period.

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.

10 TOTAL EXPENSE RATIO

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 600(I)/2025, has withdrawn the Total Expense Ratio (TER) limit with effect from July 1, 2025. Although the TER is no longer subject to a prescribed cap, the management fee for a Money Market Scheme shall not exceed 1.25% per annum of the average daily net assets.

The TER of the Fund as at September 30, 2025 is 1.60% (September 30, 2024: 1.06%), which includes 0.19% (2024: 0.19%) representing government levies.

11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan 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 key management personnel of the Management Company and other associated companies. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

- 11.1** The transactions with connected persons and related parties are carried out at agreed terms
- 11.2** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 11.3** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

| | | (Un-audited) | |
|-------------|---|------------------------------|-------------------|
| | | September 30,2025 | September 30,2024 |
| | | ----- (Rupees in '000) ----- | |
| 11.4 | Details of transactions with related parties / connected persons during the period are as follows: | | |
| | NBP Fund Management Limited - the Management Company | | |
| | Remuneration of NBP Fund Management Limited - the Management Company | 7,735 | 4,209 |
| | Sindh sales tax on remuneration of the Management Company | 1,160 | 631 |
| | Sales load and Sindh sales tax on sales load | 2,045 | 10,623 |
| | ADC Share payable to Management Comapany | 66 | 2 |
| | Central Depository Company of Pakistan Limited - the Trustee | | |
| | Remuneration of the Central Depository Company of Pakistan Limited - the Trustee | 361 | 309 |
| | Sindh sales tax on remuneration of the Trustee | 54 | 46 |
| | Settlement charges | 73 | 91 |
| | Employees of NBP Fund Management Limited | | |
| | Units issued in: 1,213,973 units (2024:11,665,574 units) | 12,270 | 121,727 |
| | Units redeemed: 1,162,564 units (2024: 2,108,787 units) | 11,839 | 22,299 |
| | Fauji Fertilizer Company Limited - Common Directorship | | |
| | Units issued in: 24,350,570 units (2024: Nil units) | 250,000 | - |
| | Portfolio managed by Management Company | | |
| | Units issued in: Nil units (2024: 30,232,857 units) | - | 305,951 |
| | Units redeemed: 197,561 units (2024: 3,722,158) | 2,004 | 38,900 |
| | Purchase of sukuk certificates | - | 20,000 |
| | CDC Trustee NBP Financial Sector Income Fund | | |
| | Purchase of sukuk certificates | - | 100,000 |
| | CDC Trustee NBP INCOME OPPORTUNITY FUND | | |
| | Purchase of sukuk certificates | - | 100,000 |
| | CDC Trustee NBP ISLAMIC MAHANA AMDANI FUND | | |
| | Purchase of sukuk certificates | - | 250,000 |

| | | | |
|-------------|---|------------------------------|--------------|
| 11.5 | Amounts / balances outstanding as at period end are as follows | | |
| | | (Un-audited) | (Audited) |
| | | September 30,2025 | June 30,2025 |
| | | ----- (Rupees in '000) ----- | |
| | NBP Fund Management Limited - the Management Company | | |
| | Remuneration payable to the Management Company | 2,279 | 3,137 |
| | Sindh sales tax on remuneration payable to the Management Company | 342 | 471 |
| | Sales and Transfer load Payable | 447 | 2,977 |
| | Sindh sales tax payable on sales load | 67 | 446 |
| | Other payable to the Management Company | 650 | 650 |
| | Reimbursement of NAV related payable | 487 | 1,822 |
| | Sindh sales tax on reimbursement of NAV related payable | 73 | 273 |
| | Reimbursement of on Selling & Marketing Payable | - | 1,946 |
| | Sindh sales tax on reimbursement of on Selling & Marketing Payable | 664 | 292 |
| | ADC Share payable to Management Comapany | 708 | 644 |

| | (Un-audited) September 30,2025 ----- (Rupees in '000) ----- | (Audited) June 30,2025 |
|--|---|---------------------------|
| Central Depository Company of Pakistan Limited - the Trustee | | |
| Remuneration payable to the Trustee | 106 | 146 |
| Sindh sales tax payable on the Trustee remuneration | 16 | 22 |
| | 130 | 73 |
| Settlement charges payable | | |
| Security deposit with Central Depository Company of Pakistan Limited - the Trustee | 100 | 100 |
| National Bank of Pakistan - Parent of the Management Company | | |
| Bank Balance | - | 435 |
| Employees of NBP Fund Management Limited | | |
| Units held: 1,465,625 units (June 30, 2025: 1,414,216 units) | 15,047 | 14,203 |
| Portfolio managed by Management Company | | |
| Units held: 35,514,382 units (June 30,2025: 35,711,943 units) | 364,615 | 358,366 |
| Fauji Fertilizer Company Limited - Common Directorship | | |
| Units held: 24,350,570 units (June 30,2025: Nil units) | 250,000 | - |

12 GENERAL

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

13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2025.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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