



Managing Your Savings

NBP Fund Management Limited



NBP INCOME OPPORTUNITY FUND

ANNUAL REPORT
JUNE 30, 2026

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
Syed Mujtaba Abbas	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Umar Ahsan Khan	Director
Mr. Tahir Jawaid	Director
Mr. Saad Muzaffar Waraich	Director

Chief Financial Officer & Company Secretary

Mr. Muhammad Murtaza Ali

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
Syed Mujtaba Abbas	Member
Mr. Ali Saigol	Member
Mr. Umar Ahsan Khan	Member

Business Strategy & IT Committee

Mr. Saad Muzaffar Waraich	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Syed Mujtaba Abbas	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 Shahr-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited	National Bank of Pakistan
Askari Bank Limited	Samba Bank Limited
Bank Alfalah Limited	MCB Islamic Bank Limited
MCB Bank Limited	Al Baraka Bank Pakistan Limited
JS Bank Limited	Faysal Bank Limited
Meezan Bank Limited	Soneri Bank Limited
Habib Bank Limited	Telenor Microfinance Bank Limited
United Bank Limited	U Microfinance Bank Limited
Bank Al Habib Limited	Dubai Islamic Bank Limited
Habib Metropolitan Bank Limited	Bank Makramah Limited



Khushhali Bank Limited
Bankislami Pakistan Limited
HBL Microfinance Bank Limited
Mobilink Microfinance Bank Limited
The Bank of Khyber

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



Mr. Ali Saigol
Director



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Tahir Jawaid
Director



Mr. Saad Muzaffar Waraich
Director



Syed Mujtaba Abbas
Director



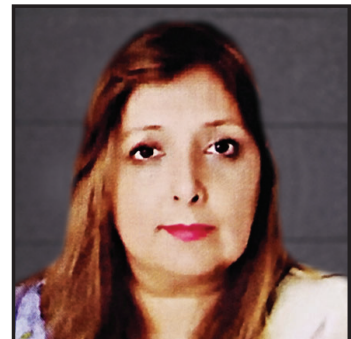
Mr. Imran Zaffar
Director



Mr. Umar Ahsan Khan
Director



Dr. Amjad Waheed, CFA
Chief Executive Officer



Ms. Mehnaz Salar
Director



Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Financial Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer - Equity



Mr. Ozair Ali Khan
Chief Technology Officer



Mr. Salman Ahmed, CFA
Chief Investment Officer
Fixed Income



Mr. Mustafa Farooq
Chief Operating Officer



Mr. Raza Jafri
Head of Portfolio &
Investment Advisory



Syed Sharoz Mazhar, CFA
Chief Strategy & Growth Officer



Mr. Hassan Raza, CFA
Head of Equity



Mr. Waheed Abidi
Head of Internal Audit



Mr. Muhammad Umer Khan
Chief Human Resources Officer



Mr. Muhammad Waseem
Head of Research



Tanveer Fatima
Head of Compliance & Risk



DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the 21st Annual Report of **NBP Income Opportunity Fund (NIOF)** for the year ended June 30, 2026.

Fund's Performance

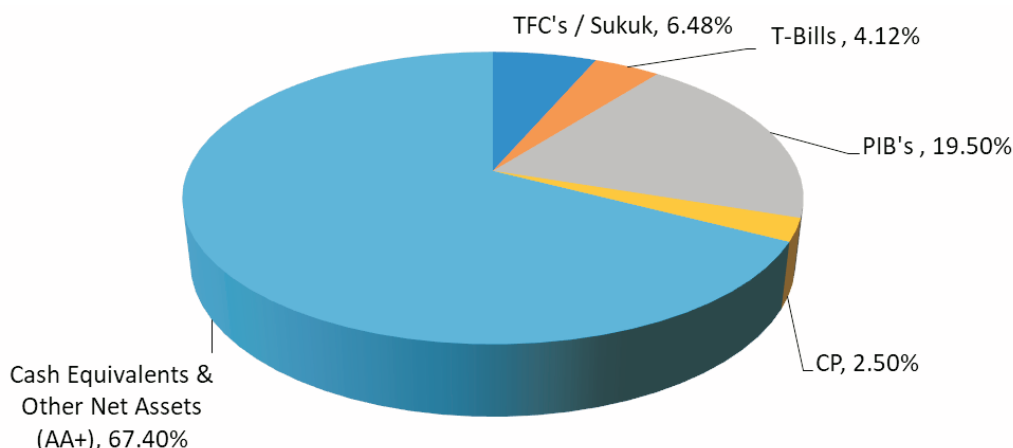
During FY26, the monetary policy stance evolved in response to changing inflation and external conditions. Following the easing cycle in FY25, the SBP reduced the policy rate by 50 bps to 10.5% in December-25, before raising it by 100 bps to 11.5% in April-26 as inflationary pressures intensified following the escalation of the US-Iran conflict and the resulting surge in global energy prices. Average headline inflation increased to 7.1% during FY26, peaking at 11.7% in May before moderating to 11.1% in June, while core inflation remained elevated. Fiscal consolidation also strengthened, with the fiscal deficit narrowing to 2.6% of GDP, the lowest in 22 years, while the primary surplus reached Rs. 3.63 trillion, or 2.9% of GDP, exceeding the IMF target by around Rs. 464 billion. Central government debt rose 7.4% YoY to Rs. 83.6 trillion, although the pace of accumulation slowed materially

The twelve (12) PIB-Fixed auctions conducted by SBP generated a realized volume of around Rs. 4.5 trillion, with cut-offs ranging from 10.14% to 13.25%. In addition, 10-year floaters realized Rs. 1.96 trillion during the period, with spreads ranging from 0.49% to 1.0%. Liquidity management reflected market appetite, maturity constraints and monetary policy expectations, with acceptance trends remaining selective. The long-term corporate bond market remained subdued, with fresh TFC and Sukuk issuance of around Rs. 31 billion and total outstanding of Rs. 96 billion

NIOF is categorized as an Income Scheme and has been awarded stability rating of 'A+ (f)' by PACRA..

The size of NBP Income Opportunity Fund has increased from Rs. 8.8 billion to Rs. 9.7 billion during the period (a growth of 10%). The unit price of the Fund has increased from Rs. 9.6506 on June 30, 2025 to Rs. 10.9428 on June 30, 2026, thus showing a return of 13.4% as compared to the benchmark return of 10.6% for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 1,539.32 million during the year. After deducting total expenses of Rs. 208.86 million, the net income is Rs. 1330.46 million. The asset allocation of NMMF as on June 30, 2026 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 12.98% of the opening ex-NAV (14.15% of the par value) during the year ended June 30, 2026.



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 Chartered Accountants, resign and the Board has approved the appointment of Messrs A.F. Ferguson & Co., for appointment for the year ending June 30, 2027.

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 six meetings during the year. The attendance of all directors is disclosed in the note 26 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 23 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 18 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, 2026, the Board included:



Category	Names
Independent Directors	1. Mr. Tahir Jawaid 2. Mr. Saad Muzaffar Waraich 3. Mr. Umar Ahsan Khan
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Syed Mujtaba Abbas 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: September 04, 2026

Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP انکم اپروپنٹیفنڈ (NIOF) کی ایکسویس سالانہ رپورٹ برائے اختتامہ سال 30 جون 2026 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنانس کی کارکردگی

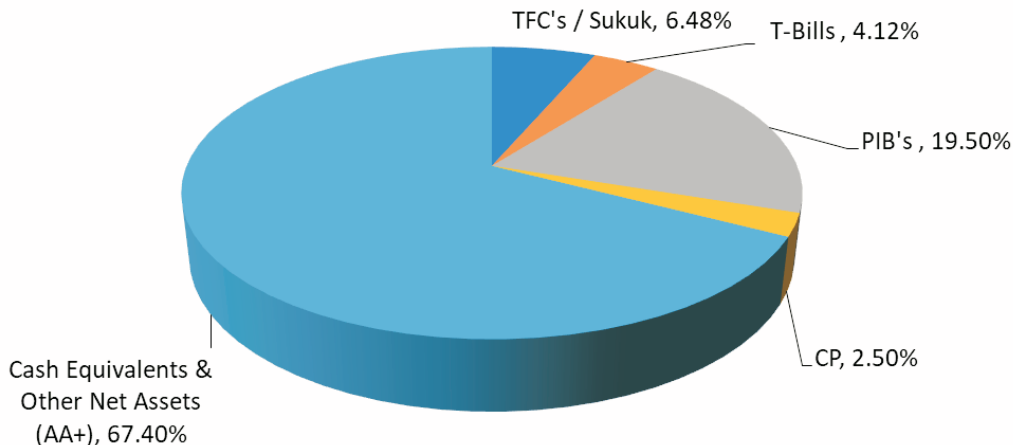
مالی سال 26 کے دوران افراط زر اور بیرونی حالات میں تبدیلی کے باعث مانیٹری پالیسی کا موقف بھی تبدیل ہوتا رہا۔ مالی سال 25 میں شرح سود میں کمی کے سلسلے کے بعد، اسٹیٹ بینک آف پاکستان (SBP) نے دسمبر 2025 میں پالیسی ریٹ میں 50 پیس پوائنٹس کی کمی کرتے ہوئے اسے 10.5 فیصد کر دیا، تاہم امریکہ-ایران تنازع میں شدت اور اس کے نتیجے میں عالمی سطح پر توانائی کی قیمتوں میں اضافے کے باعث افراط زر کے دباؤ میں شدت آنے پر اپریل 2026 میں پالیسی ریٹ میں 100 پیس پوائنٹس کا اضافہ کرتے ہوئے اسے 11.5 فیصد کر دیا گیا۔ مالی سال 26 کے دوران اوسط عمومی افراط زر 7.1 فیصد رہا، جو مئی میں بڑھ کر 11.7 فیصد کی بلند ترین سطح پر پہنچ گیا، تاہم جون میں کم ہو کر 11.1 فیصد ہو گیا، جبکہ بنیادی افراط زر بدستور بلند سطح پر برقرار رہا۔ مالیاتی استحکام میں بھی بہتری آئی، جس کے نتیجے میں مالیاتی خسارہ کم ہو کر GDP کا 2.6 فیصد رہ گیا، جو 22 سال کی کم ترین سطح ہے، جبکہ بنیادی سرپلس 3.63 ٹریلین روپے، یعنی GDP کا 2.9 فیصد رہا، جو آئی ایم ایف کے ہدف سے تقریباً 464 بلین روپے زیادہ ہے۔ مرکزی حکومت کا قرضہ سال بہ سال 7.4 فیصد بڑھ کر 83.6 ٹریلین روپے ہو گیا، تاہم قرضے میں اضافے کی رفتار میں نمایاں کمی آئی۔

SBP کی جانب سے منعقد کی گئی بارہ (12) PIB-فلسڈ نیلامیوں میں تقریباً 4.5 ٹریلین روپے کا حقیقی حجم حاصل ہوا، جبکہ کٹ آف شرحیں 10.14 فیصد سے 13.25 فیصد کے درمیان رہیں۔ اس کے علاوہ، 10 سالہ قلموں کے ذریعے اس عرصے کے دوران 1.96 ٹریلین روپے حاصل ہوئے، جن پر اسپریڈز 0.49 فیصد سے 1.0 فیصد کے درمیان رہے۔ لیکویڈیٹی مینجمنٹ میں مارکیٹ کی طلب، میچورٹی کی پابندیوں اور مانیٹری پالیسی سے متعلق توقعات کا اثر نمایاں رہا، جبکہ قبولیت کے رجحانات بدستور محتاط اور منتخب رہے۔ طویل مدتی کارپوریٹ بانڈ مارکیٹ میں سرگرمیاں محدود رہیں، جہاں تقریباً 31 بلین روپے مالیت کے نئے TFCs اور سلوک جاری کیے گئے، جبکہ مجموعی زیر گردش مالیت 96 بلین روپے رہی۔

NIOF کو انکم سکیم کے طور پر درجہ بندی کیا گیا ہے اور اسے PACRA کی طرف سے 'A+ (f)' کی اسٹیبلٹی ریٹنگ دی گئی ہے۔

موجودہ مدت کے دوران NBP انکم اپروپنٹیفنڈ کا سائز 8.8 بلین روپے سے بڑھ کر 9.7 بلین روپے ہو گیا ہے یعنی 10% کا اضافہ ہوا ہے۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2025 کو (EX-Div) 9.6506 روپے سے بڑھ کر 30 جون 2026 کو 10.9428 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک 10.6% کے مقابلے میں 13.4% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات منہا کرنے کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 1,539.32 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 208.86 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1330.46 بلین روپے ہے۔ 30 جون 2026 کے مطابق NIOF کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 12.98% (بنیادی قدر کا 14.15%) عبوری فنڈ یوٹیلٹی منسٹور کیا ہے۔

ٹیکسیشن

چونکہ مذکورہ بالا فنڈ منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین متناہ کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر اکٹم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

آڈیٹرز

موجودہ آڈیٹر، میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس مستعفی ہو گئے ہیں۔ بورڈ نے 30 جون 2027 کو ختم ہونے والے سال کی تقرری کے لیے میسرز اے۔ ایف۔ فرگوسن اینڈ کمپنی کی تقرری کی منظوری دے دی ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں شامل بہترین عوامل کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

1. منجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو اور 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 اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شہر یا قیامیہ تحجیئے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرئل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 23 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، ای ای او، ایف او، کمپنی سیکرٹری 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 18 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2026 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:



نام	کٹگری
1. جناب طاہر جاوید 2. جناب سعد مظفر وڑائچ 3. جناب عمر احسن خان	آزاد ڈائریکٹرز
ڈاکٹر امجد وحید۔ چیف ایگزیکٹو آفیسر	ایگزیکٹو ڈائریکٹر
1. شیخ محمد عبدالواحد سیٹھی (چیئر مین) 2. سید مجتبیٰ عباس 3. محترمہ مہناز سالار 4. جناب علی سیگل 5. جناب عمران ظفر	نان ایگزیکٹو ڈائریکٹرز

اظہار تشکر

بورڈ اس موقع پر اپنے معزز یونٹ ہولڈرز کا تہہ دل سے شکریہ ادا کرتا ہے کہ انہوں نے منجمنٹ کمپنی پر اپنے اعتماد اور بھروسہ کا اظہار کیا اور اسے اپنی خدمت کا موقع فراہم کیا۔ بورڈ سیکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان (SECP) اور اسٹیٹ بینک آف پاکستان (SBP) کی سرپرستی، رہنمائی اور تعاون پر بھی تہہ دل سے شکر گزار ہے۔

بورڈ اپنے عملے اور ڈسٹری بیوٹرز کی جانب سے دکھائی جانے والی محنت، لگن اور عزم کی بھی قدردان کی خدمات کو خراج تحسین پیش کرتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ منجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

ڈائریکٹر

تاریخ: 04 ستمبر 2026ء

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 Income Opportunity 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, 2026 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 pricing, 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 28, 2026

FUND MANAGER REPORT

NBP Income Opportunity Fund

NBP Income Opportunity Fund (NIOF) is an Open-End Income Scheme.

Investment Objective of the Fund

The objective of NIOF is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in money market & debt securities having good credit rating and liquidity.

Benchmark

75% six (6) months KIBOR + 25% six (6) months average of the highest rates on savings accounts of three (3) AA rated scheduled Banks as selected by MUFAP.

Fund Performance Review

This is the 21st Annual report since the launch of the Fund on April 21, 2006 and is rated "A+(f)" by PACRA. The Fund size increased by 10% and stands at Rs. 9.7 billion as of June 30, 2026. The Fund's return since its inception is 10.1% p.a. versus the benchmark return of 11.3% p.a. During FY26, the Fund posted a return of 13.4% p.a. as compared to the benchmark return of 10.6% p.a. The return of the Fund is net of management fee and all other expenses.

The Yield to Maturity of the Fund at year-end FY26 is around 11.5% while that of the TFC portfolio is 12.2%. The yield does not include potential recovery in fully provided TFCs (Face Value of around Rs 709 million), which is a potential upside for the Fund. The Fund's TFC portfolio allocation is fairly diversified with exposure to Banking, Financial Service, and Power Generation & Distribution sectors.

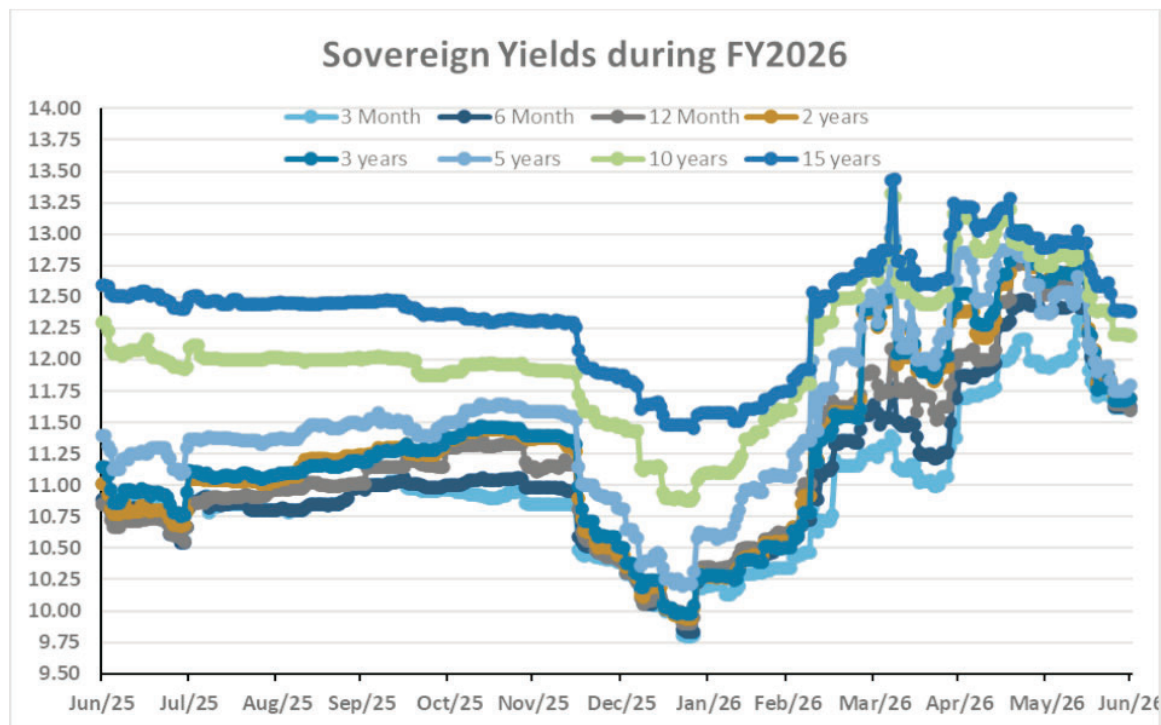
NIOF is categorized as an Income Scheme and has been awarded stability rating of 'A+ (f)' by PACRA. During FY26, the monetary policy stance evolved in response to changing inflation and external conditions. Following the easing cycle in FY25, the SBP reduced the policy rate by 50 bps to 10.5% in December-25, before raising it by 100 bps to 11.5% in April-26 as inflationary pressures intensified following the escalation of the US-Iran conflict and the resulting surge in global energy prices. Average headline inflation increased to 7.1% during FY26, peaking at 11.7% in May before moderating to 11.1% in June, while core inflation remained elevated. Fiscal consolidation also strengthened, with the fiscal deficit narrowing to 2.6% of GDP, the lowest in 22 years, while the primary surplus reached Rs. 3.63 trillion, or 2.9% of GDP, exceeding the IMF target by around Rs. 464 billion. Central government debt rose 7.4% YoY to Rs. 83.6 trillion, although the pace of accumulation slowed materially.

The twelve (12) PIB-Fixed auctions conducted by SBP generated a realized volume of around Rs. 4.5 trillion, with cut-offs ranging from 10.14% to 13.25%. In addition, 10-year floaters realized Rs. 1.96 trillion during the period, with spreads ranging from 0.49% to 1.0%. Liquidity management reflected market appetite, maturity constraints and monetary policy expectations, with acceptance trends remaining selective. The long-term corporate bond market remained subdued, with fresh TFC and Sukuk issuance of around Rs. 31 billion and total outstanding of Rs. 96 billion.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-26	30-Jun-25
T-Bills	4.12%	56.24%
PIBs	19.50%	15.96%
Commercial Paper	2.5%	0.00%
TFCs / Sukuk	6.48%	12.88%
Cash, Bank Placements & Other Assets	67.40%	14.92%
Total	100.00%	100.00%

Sovereign Yields during the year are shown in the below graph:



Distribution for the Financial Year 2026

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Interim	14.153%	12.3186	10.9033

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investment before Provision	Provision held	Value of Investment after Provision	% Net Assets	% Gross Assets
Dewan Cement Limited (Pre-IPO) 17-JAN-08 17-JAN-30	Per IPO TFC	150,000,000	150,000,000	0	0.0%	0.0%
ANL ZERO COUPON - 8 29-APR-21 29-APR-31	TFC	195,465,000	195,465,000	0	0.0%	0.0%
Eden House Limited - Sukuk Revised 29-MAR-08 29-SEP-25	Sukuk	9,056,250	9,056,250	0	0.0%	0.0%
New Allied Electronics Limited II - Sukuk 03-DEC-07 03-DEC-30	Sukuk	44,148,934	44,148,934	0	0.0%	0.0%
Worldcall RS - III 10-APR-18 20-SEP-26	TFC	69,157,224	69,157,224	0	0.0%	0.0%
Saudi Pak Leasing Company Limited - Revised II 13-MAR-30	TFC	41,321,115	41,321,115	0	0.0%	0.0%
PACE Pakistan Limited - Revised 15-FEB-08 15-FEB-45	TFC	149,820,000	149,820,000	0	0.0%	0.0%
New Allied Electronics Limited (PP) 15-MAY-07 15-NOV-30	TFC	31,706,536	31,706,536	0	0.0%	0.0%
ANL PPTFC - 7 29-APR-21 29-APR-31	TFC	18,731,490	18,731,490	0	0.0%	0.0%
Total		709,406,549	709,406,549	0	0.0%	0.0%

Unit Holding Pattern of NBP Income Opportunity Fund as on June 30, 2026

Size of Units Holding	# of Unit Holders
1-1000	4833
1001-5000	480
5001-10000	164
10001-50000	336
50001-100000	159
100001-500000	294
500001-1000000	84
1000001-5000000	82
5000001-10000000	7
10000001-100000000	5
100000001-1000000000	1
1000000001-10000000000	0
Total	6,445

During the period under question:

There has been no significant change in the state of affairs of the Fund, other than stated above. NBP Income Opportunity Fund does not have any soft commission arrangement with any broker in the industry.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Income Opportunity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NBP Income Opportunity Fund** (the Fund) which comprise the statement of assets and liabilities as at June 30, 2026 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, 2026 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. These matters were 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 these matters.

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Valuation and existence of investments (Refer to note 5 of the financial statements) Investments held at fair value through profit or loss and at amortised cost are disclosed in note 5 to the financial statements and represent 32.60% of the net assets of the Fund. The Fund's primary activity is, inter alia, to invest in a diversified portfolio of Government Securities, Equity Securities, Term Finance Certificates, Corporate Sukuks, Term Deposit Receipts, and Commercial Paper, which are the main drivers of the Fund's performance. 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.	In this respect, we performed the following procedures: - Independently agreed the existence of investments from the Central Depository Company (CDC) account statement, Investor Portfolio Services (IPS) account statement, bank confirmations and other relevant documents; - Tested the valuation of performing investments by comparing the average rates quoted on widely used electronic quotation systems (PKRV and PKFRV), prices quoted at the Mutual Funds Association of Pakistan (MUFAP), contracted rates for placements, and prices quoted at the Pakistan Stock Exchange (PSX); - Assessed the impairment provisions recognized against non-performing Term Finance Certificates and Corporate Sukuk



S. No.	Key Audit Matter	How the matter was addressed in our audit
2	Existence of bank balances (Refer to note 4 of the financial statements) Bank balances are disclosed in note 4 to the financial statements and represent 44.35% of the net assets of the Fund. The Fund's primary activity is, inter alia, to maintain bank balances in profit-bearing accounts, which are central to the Fund's income generation and regulatory liquidity compliance. Considering the pervasive nature of these balances and the audit effort required to verify profit accruals, the existence of bank balances is a significant area during our audit due to which we have considered this as a key audit matter.	certificates to ensure compliance with the provisioning methodology prescribed by SECP Circular 33 of 2012 and related MUFAP guidelines; and - Differences, if any, identified during our testing that were over our acceptable threshold were investigated further. In this respect, we performed the following procedures: - Independently obtained direct bank confirmations to confirm the existence of bank balances; - Independently recalculated the accrued profit on bank balances in accordance with the respective applicable rates; and - Differences, if any, identified during our testing that were over our acceptable threshold were investigated further.

Other matter

The annual financial statements of the Fund for the year ended June 30, 2025 were audited by another firm of chartered accountants, whose audit report dated September 04, 2025 expressed an unmodified opinion.

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 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

Place: Karachi

Date: September 08, 2026

UDIN: AR202610091RST4P6Fo8

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2026

	Note	2026 ----- Rupees in '000 -----	2025 ----- Rupees in '000 -----
ASSETS			
Bank balances	4	4,297,776	3,370,890
Investments	5	3,159,245	7,523,808
Profit receivable	6	49,086	87,980
Receivable from funds under management by Management Company against conversion of units		2,526,390	2,306,016
Advance, deposits, prepayment and other receivable	7	12,902	12,890
Total assets		10,045,399	13,301,584
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	8	14,124	21,548
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	648	936
Payable to the Securities and Exchange Commission of Pakistan	10	550	718
Payable against conversion and redemption of units		241,608	4,209,203
Accrued expenses and other liabilities	11	97,764	226,052
Total liabilities		354,694	4,458,457
NET ASSETS		9,690,705	8,843,127
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,690,705	8,843,127
CONTINGENCIES AND COMMITMENTS	12		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE	13	885,578,917	811,050,058
		----- Rupees -----	
NET ASSETS VALUE PER UNIT		10.9428	10.9033

The annexed notes from 1 to 29 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, 2026

		2026	2025
	Note	Rupees in '000	
INCOME			
Profit on bank balances		452,140	175,677
Income from term deposit receipts		33,614	-
Income on term finance certificates and sukuk certificates		111,646	177,360
Income on government securities		433,371	736,129
Income on commercial papers		20,099	-
Income on letters of placement		21,247	658
Income from margin trading system		6,163	-
Other income	5.6.1	79,484	85,345
Gain on sale of investments - net		383,360	94,697
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial asset 'at fair value through profit or loss'	5.13	(1,799)	24,342
		381,561	119,039
Total income		1,539,325	1,294,208
EXPENSES			
Remuneration of NBP Fund Management Limited - the Management Company	8.1	149,592	85,467
Sindh Sales Tax on remuneration of the Management Company	8.2	22,439	12,820
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	9.1	7,957	5,492
Sindh Sales Tax on remuneration of the Trustee	9.2	1,194	824
Reimbursement of selling and marketing expenses	8.3	-	18,343
Sindh Sales Tax on reimbursement of selling and marketing expenses		-	2,751
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	8.4	-	4,064
Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services		-	610
Fee to the Securities and Exchange Commission of Pakistan	10.1	7,957	5,492
Securities transaction cost		16,063	5,154
Settlement and bank charges		1,452	1,195
Auditors' remuneration	14	1,217	1,141
Professional fees		78	132
Printing charges		-	37
Fund rating fee		848	765
Annual listing fee		63	35
Total expenses		208,860	144,322
Net income for the year before taxation		1,330,465	1,149,886
Taxation	16	-	-
Net income for the year after taxation		1,330,465	1,149,886
Earnings per unit	3.12		
Allocation of net income for the year			
Net income for the year after taxation		1,330,465	1,149,886
Income already paid on units redeemed		(785,023)	(547,527)
		545,442	602,359
Accounting income available for distribution			
- Relating to capital gains		383,360	119,039
- Excluding capital gains		162,082	483,320
		545,442	602,359

The annexed notes from 1 to 29 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, 2026

	2026	2025
	-----Rupees in '000-----	
Net income for the year after taxation	1,330,465	1,149,886
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,330,465</u>	<u>1,149,886</u>

The annexed notes from 1 to 29 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, 2026

	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000					
Net assets at the beginning of the year	8,259,644	583,483	8,843,127	4,003,430	562,954	4,566,384
Issuance of 1,736,208,435 units (2025: 5,097,524,070 units)						
- Capital value (at ex - net assets value per unit)	18,930,401	-	18,930,401	55,416,714	-	55,416,714
- Element of income	887,778	-	887,778	8,223,504	-	8,223,504
Total proceeds on issuance of units	19,818,179	-	19,818,179	63,640,218	-	63,640,218
Redemption of 1,661,679,576 units (2025: 4,706,514,492 units)						
- Capital value (at ex - net assets value per unit)	(18,117,791)	-	(18,117,791)	(51,165,931)	-	(51,165,931)
- Element of loss	(736,499)	(785,023)	(1,521,522)	(7,775,926)	(547,527)	(8,323,453)
Total payments on redemption of units	(18,854,290)	(785,023)	(19,639,313)	(58,941,857)	(547,527)	(59,489,384)
Distribution for the year ended June 30, 2026						
Cash distribution @ Rs. 1.4153 per unit declared on June 19, 2026 (2025: Cash distribution @ Rs. 1.9253 per unit declared on June 26, 2025)	(147,038)	(514,715)	(661,753)	(442,147)	(581,830)	(1,023,977)
Total comprehensive income for the year	-	1,330,465	1,330,465	-	1,149,886	1,149,886
Net assets at the end of the year	9,076,495	614,210	9,690,705	8,259,644	583,483	8,843,127
Undistributed income brought forward						
- Realised gain		559,141			558,359	
- Unrealised gain		24,342			4,595	
		583,483			562,954	
Accounting income available for distribution						
- Relating to capital gains		383,360			119,039	
- Excluding capital gains		162,082			483,320	
		545,442			602,359	
Distribution during the year		(514,715)			(581,830)	
Undistributed income carried forward		614,210			583,483	
Undistributed income carried forward						
- Realised gain		616,009			559,141	
- Unrealised (loss) / gain		(1,799)			24,342	
		614,210			583,483	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the year		10.9033			10.8713	
Net assets value per unit at the end of the year		10.9428			10.9033	

The annexed notes from 1 to 29 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, 2026

		2026	2025
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		1,330,465	1,149,886
Adjustments for non cash items:			
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial asset 'at fair value through profit or loss'	5.13	1,799	(24,342)
		1,332,264	1,125,544
Decrease / (increase) in assets			
Investments - net		3,375,941	(3,400,119)
Profit receivable		38,894	(33,779)
Advance, deposits, prepayment and other receivable		(12)	1,032
		3,414,823	(3,432,866)
(Decrease) / increase in liabilities			
Payable to NBP Fund Management Limited - the Management Company		(7,424)	61
Payable to Central Depository Company of Pakistan Limited - the Trustee		(288)	517
Payable to the Securities and Exchange Commission of Pakistan		(168)	442
Accrued expenses and other liabilities		(128,288)	126,867
		(136,168)	127,887
Net cash generated from / (used in) operating activities		4,610,919	(2,179,435)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		19,450,767	61,057,636
Net payments against redemption of units		(23,606,908)	(55,366,014)
Cash dividend paid		(514,715)	(581,830)
Net cash (used in) / generated from financing activities		(4,670,856)	5,109,792
Net (decrease) / increase in cash and cash equivalents during the year		(59,937)	2,930,357
Cash and cash equivalents at the beginning of the year	15	4,357,713	1,427,356
Cash and cash equivalents at the end of the year	15	4,297,776	4,357,713

The annexed notes from 1 to 29 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, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NBP Income Opportunity Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered 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 (the SECP) on January 30, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund was registered under the Sindh Trusts Act, 2020 on November 3, 2021.
- 1.2** 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 (the 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).
- 1.3** The Fund has been categorised as an open ended 'Income Scheme' 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 are being offered for public subscription on a continuous basis from February 11, 2006 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing in money market and debt securities having good credit rating and liquidity. Other avenues of investments include ready future arbitrage in listed securities and transactions under margin trading system.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of AM1 as on May 05, 2026 (2025: AM1 as on May 05, 2025) to the Management Company and a performance ranking of "A+(f)" as at April 22, 2026 (2025: "A+(f)" dated April 17, 2025) to the fund.
- 1.6** The title to the assets of the Fund are 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.



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

2.2.1 'New amendments that are effective for the year ended June 30, 2026

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Company's / Bank's financial statements other than certain additional disclosures.

- Lack of Exchangeability (Amendments to IAS 21)

2.2.2 Standards, interpretations and amendments to the published accounting and reporting standards 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 IFRS 9 and IFRS 7 regarding the 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 to IFRS 9 and IFRS 7 regarding power purchase arrangements | January 01, 2026 |
| - IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) | January 01, 2027 |
| - IFRS 19 Subsidiaries without Public Accountability: Disclosures | January 01, 2027 |

2.2.3 "In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

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 20 Regulatory Assets and Regulatory Liabilities

2.3 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.1 and 5).

2.4 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 21.

2.5 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 Pakistani Rupees, which is the Fund's functional and presentation currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Financial assets

3.1.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.1.2 Classification and subsequent measurement

Debt instruments (includes government securities, corporate sukuks, term finance certificates and letter of placements)

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost;
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVPL);

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrecoverable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrecoverable option has not been considered.

The dividend income for equity securities classified under FVPL are to be recognised in the Income Statement.

Since all investment in equity instruments has been designated as FVPL, subsequent movement in fair value of equity securities is routed through the Income Statement.

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost.

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

3.1.3 Impairment (other than debt securities)

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when these fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.1.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on the management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.



As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.1.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.2 Financial liabilities

3.2.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

3.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.3 Offsetting of financial assets and financial 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 only when permitted by the accounting and reporting standards as applicable in Pakistan.

3.4 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.

3.5 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in 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.

3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges and provision for transaction cost if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company/ distributors receive redemption application during business hours of that day. The redemption price represents the NAV as on the close of the business day, less an any duties, taxes, charges on redemption and any provision for transaction cost, if applicable.

3.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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.

3.8 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 assets 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 period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place;

Unrealised gains / (losses) arising on re-measurement of securities classified as financial assets 'at fair value through profit or loss' are included in the period in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend;
- Income on margin trading system and letters of placement is recognised using effective yield method;
- Income on sukuk certificates, term finance certificates and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Profit on bank balances is recognised on time proportion basis using the effective yield method.

3.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and the Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.11 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 percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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.



3.12 Earnings per unit

Earnings per unit (EPU) is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit has not been disclosed in these financial statements as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.13 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

		2026	2025
	Note	-----Rupees in '000-----	
4 BANK BALANCES			
Current accounts	4.1	1,958	3,307
Savings accounts	4.2	4,295,818	3,367,583
		4,297,776	3,370,890

4.1 This includes balance of Rs. 0.591 million (2025: Rs. 0.392 million) maintained with National Bank of Pakistan (a related party).

4.2 These include balances of Rs. 1.083 million (2025: Rs. 1.992 million) maintained with National Bank of Pakistan (a related party), that carry profit at the rate of 6% (2025: 6.00%) per annum. Other savings accounts of the Fund carry profit rates ranging from 0.10% to 12.00% (2025: 0.10% to 11.55%) per annum.

		2026	2025
	Note	-----Rupees in '000-----	
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Equity securities	5.1	-	-
Equity securities (spread transactions)	5.2	-	-
Government securities - Market Treasury Bills	5.3	399,640	4,973,017
Government securities - Pakistan Investment Bonds	5.4	1,889,520	1,411,391
Term finance certificates	5.5	215,844	166,155
Term finance certificates - non-performing securities	5.6	-	-
Redeemable preference shares - debt security	5.7	-	-
Corporate sukuk certificates	5.8	411,792	973,245
Corporate sukuk certificates - non-performing securities	5.9	-	-
		2,916,796	7,523,808
Financial assets 'at amortised cost'			
Letter of placement	5.10	-	-
Term deposit receipts	5.11	-	-
Commercial paper	5.12	242,449	-
		242,449	-
		3,159,245	7,523,808



5.1 Equity securities

All shares have a nominal face value of Rs. 10 each.

Investee company	As at July 01, 2025	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
							Net assets of the Fund	Total investments of the Fund	
	----- Number of shares held -----					Rupees in '000	----- % -----		

PERSONAL GOODS

Azgard Nine Limited - Non-voting*	308	-	-	-	308	-	-	-	-
Total as at June 30, 2026						-	-	-	-
Carrying value as at June 30, 2026						-			
Market value as at June 30, 2025						-			
Carrying value as at June 30, 2025						-			

* These shares are fully provided due to non-tradability.

5.2 Equity securities (spread transactions)

Name of the investee company	As at July 1, 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
						Net assets of the Fund	Total investments of the Fund	
	----- Number of shares held -----				(Rupees in '000)	----- % -----		

CABLE & ELECTRICAL GOODS

Pak Elektron Limited	-	16,340,500	16,340,500	-	-	-	-	-
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CEMENT

Cherat Cement Company Limited	-	30,000	30,000	-	-	-	-	-
D.G. Khan Cement Company Limited	-	3,580,000	3,580,000	-	-	-	-	-
Fauji Cement Company Limited	-	2,941,000	2,941,000	-	-	-	-	-
Lucky Cement Limited	-	382,500	382,500	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	3,358,500	3,358,500	-	-	-	-	-
Pioneer Cement Limited	-	1,365,500	1,365,500	-	-	-	-	-
Power Cement Limited	-	40,000	40,000	-	-	-	-	-
	-	11,697,500	11,697,500	-	-	-	-	-

CHEMICAL

Engro Polymer & Chemicals Limited	-	28,500	28,500	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	1,373,500	1,373,500	-	-	-	-	-
	-	1,402,000	1,402,000	-	-	-	-	-

COMMERCIAL BANKS

Askari Bank Limited	-	577,500	577,500	-	-	-	-	-
The Bank of Punjab	-	56,378,000	56,378,000	-	-	-	-	-
Habib Bank Limited	-	1,231,500	1,231,500	-	-	-	-	-
Faysal Bank Limited	-	1,000	1,000	-	-	-	-	-
MCB Bank Limited	-	100,000	100,000	-	-	-	-	-
	-	58,288,000	58,288,000	-	-	-	-	-



Name of the investee company	As at July 1, 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
						Net assets of the Fund	Total investments of the Fund	
	----- Number of shares held -----				(Rupees in '000)	----- % -----		
INSURANCE								
Adamjee Insurance Company Limited	-	5,500	5,500	-	-	-	-	-
ENGINEERING								
Aisha Steel Mills Limited	-	203,000	203,000	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	1,874,500	1,874,500	-	-	-	-	-
International Industries Limited	-	10,000	10,000	-	-	-	-	-
	-	2,087,500	2,087,500	-	-	-	-	-
FERTILIZER								
Fauji Fertilizer Company Limited	-	550,000	550,000	-	-	-	-	-
Agritech Limited	-	81,500	81,500	-	-	-	-	-
	-	631,500	631,500	-	-	-	-	-
INV. BANKS / INV. COS. / SECURITIES COS.								
Engro Holdings Limited	-	418,500	418,500	-	-	-	-	-
OIL & GAS EXPLORATION COMPANIES								
Mari Energies Limited	-	445,000	445,000	-	-	-	-	-
Oil & Gas Development Company Limited	-	3,118,500	3,118,500	-	-	-	-	-
Pakistan Petroleum Limited -		4,256,500	4,256,500	-	-	-	-	-
	-	7,820,000	7,820,000	-	-	-	-	-
OIL AND GAS MARKETING COMPANIES								
Pakistan State Oil Company Limited	-	1,364,000	1,364,000	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	743,500	743,500	-	-	-	-	-
Sui Southern Gas Company Limited	-	1,512,000	1,512,000	-	-	-	-	-
	-	3,619,500	3,619,500	-	-	-	-	-
PHARMACEUTICALS								
Citi Pharma Limited	-	3,099,500	3,099,500	-	-	-	-	-
The Searle Company Limited	-	5,999,000	5,999,000	-	-	-	-	-
	-	9,098,500	9,098,500	-	-	-	-	-

NBP INCOME OPPORTUNITY FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

Name of the investee company	As at July 1, 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
						Net assets of the Fund	Total investments of the Fund	
	----- Number of shares held -----				(Rupees in '000)	----- % -----		
POWER GENERATION & DISTRIBUTION								
The Hub Power Company Limited	-	3,549,500	3,549,500	-	-	-	-	-
K-Electric Limited	-	24,980,000	24,980,000	-	-	-	-	-
	-	28,529,500	28,529,500	-	-	-	-	-
REFINERY								
Attock Refinery Limited	-	705,000	705,000	-	-	-	-	-
National Refinery Limited	-	1,959,000	1,959,000	-	-	-	-	-
	-	2,664,000	2,664,000	-	-	-	-	-
TECHNOLOGY & COMMUNICATION								
Air Link Communication Limited	-	1,094,000	1,094,000	-	-	-	-	-
Hum Network Limited	-	2,629,000	2,629,000	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	11,167,000	11,167,000	-	-	-	-	-
Systems Limited	-	1,024,000	1,024,000	-	-	-	-	-
Avanceon Limited	-	37,500	37,500	-	-	-	-	-
	-	15,951,500	15,951,500	-	-	-	-	-
TEXTILE COMPOSITE								
Nishat Mills Limited	-	381,500	381,500	-	-	-	-	-
Gul Ahmed Textile Mills Limited	-	7,500	7,500	-	-	-	-	-
	-	389,000	389,000	-	-	-	-	-
TRANSPORT								
Pakistan International Bulk Terminal	-	19,473,000	19,473,000	-	-	-	-	-
VANASPATI & ALLIED INDUSTRIES								
Unity Foods Limited	-	5,462,500	5,462,500	-	-	-	-	-
FOOD PRODUCERS								
Fauji Foods Limited	-	4,921,500	4,921,500	-	-	-	-	-
Total as at June 30, 2026	-	188,800,000	188,800,000	-	-	-	-	-
Carrying value as at June 30, 2026					-			
Market value as at June 30, 2025					-			
Carrying value as at June 30, 2025					-			



5.3 Government securities - Market Treasury Bills

Issue date	Maturity date	Tenor	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation as at June 30, 2026	Market value as percentage of	
			As at July 01, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026				Net assets of the Fund	Total investments of the Fund
----- Rupees in '000 -----									----- % -----		
May 2, 2025	July 24, 2025	3 months	500,000	-	500,000	-	-	-	-	-	-
October 2, 2025	October 30, 2025	1 month	-	500,000	500,000	-	-	-	-	-	-
October 3, 2024	October 2, 2025	12 months	510,200	-	510,200	-	-	-	-	-	-
September 5, 2024	September 4, 2025	12 months	870,000	-	870,000	-	-	-	-	-	-
February 6, 2026	April 30, 2026	3 months	-	500,000	500,000	-	-	-	-	-	-
January 9, 2025	January 8, 2026	12 months	772,000	-	772,000	-	-	-	-	-	-
July 10, 2025	July 9, 2026	12 months	-	27,300	-	27,300	27,239	27,232	(7)	0.28	0.86
July 11, 2024	July 10, 2025	12 months	84,200	-	84,200	-	-	-	-	-	-
December 12, 2024	December 11, 2025	12 months	500,000	-	500,000	-	-	-	-	-	-
June 12, 2025	September 4, 2025	3 months	500,000	-	500,000	-	-	-	-	-	-
May 15, 2025	May 14, 2026	12 months	500,000	-	500,000	-	-	-	-	-	-
April 16, 2026	May 14, 2026	1 month	-	500,000	500,000	-	-	-	-	-	-
February 20, 2025	February 19, 2026	12 months	744,300	-	744,300	-	-	-	-	-	-
July 24, 2025	July 23, 2026	12 months	-	375,000	-	375,000	372,820	372,408	(412)	3.84	11.79
July 25, 2024	July 24, 2025	12 months	-	500,000	500,000	-	-	-	-	-	-
April 30, 2026	June 11, 2026	1 month	-	500,000	500,000	-	-	-	-	-	-
October 31, 2024	October 30, 2025	12 months	200,000	-	200,000	-	-	-	-	-	-
Total as at June 30, 2026			5,180,700	2,902,300	7,680,700	402,300	400,059	399,640	(419)	4.12	12.65
Total as at June 30, 2025							4,964,510	4,973,017	8,507		

* This represents market treasury bills having face value of Rs. 300 million (2025: 500 million) pledged as collateral in favour of National Clearing Company of Pakistan Limited (NCCPL) against exposure margin and mark to market losses on the Fund's trading on the spread transactions

5.4 Government securities - Pakistan Investment Bonds

Issue date	Tenure	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as percentage of	
		As at July 01, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026				Net assets of the Fund	Total investments of the Fund
----- Rupees in '000 -----									----- % -----	
November 17, 2022	5 Years	500,000	-	-	500,000	497,738	500,650	2,912	5.17	15.85
September 21, 2023	5 Years	235,000	-	-	235,000	232,762	233,003	241	2.40	7.38
October 3, 2024	5 Years	75,000	425,000	-	500,000	493,300	494,249	949	5.10	15.64
January 16, 2025	5 Years	100,000	-	-	100,000	101,642	100,751	(891)	1.04	3.19
September 20, 2024	2 Years	150,000	-	-	150,000	146,769	146,192	(577)	1.51	4.63
January 16, 2025	2 Years	441,000	-	-	441,000	418,037	414,675	(3,362)	4.28	13.13
Total as at June 30, 2026		1,501,000	425,000	-	1,926,000	1,890,248	1,889,520	(728)	19.50	59.81
Total as at June 30, 2025						1,392,801	1,411,391	18,590		

NBP INCOME OPPORTUNITY FUND



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5.5 Term finance certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2025	Purchased during the year	Sold / redeemed during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as percentage of	
												Net assets of the Fund	Total investments of the Fund
					----- Number of certificates -----			----- Rupees in '000 -----			----- % -----		

COMMERCIAL BANKS

The Bank of Punjab - TFC II
(Face value of Rs. 99,680 per certificate) AA, PACRA Semi-annually April 23, 2028 6 month KIBOR plus base rate of 1.25% 900 - - 900 91,118 89,712 (1,406) 0.93 2.84

Bank Alfalah Limited - TFC
(Face value of Rs. 100,000 per certificate) AA+, PACRA Semi-annually June 29, 2036 6 month KIBOR plus base rate of 1% - 1,000 - 1,000 100,000 100,000 - 1.03 3.17

MICROFINANCE COMPANIES

Kashf Foundation - PPTFC
(Face value of Rs. 25,000 per certificate) AAA, PACRA Quarterly December 8, 2026 3 month KIBOR plus base rate of 1.50% 1,000 - - 1,000 25,000 26,132 1,132 0.27 0.83

Total as at June 30, 2026 216,118 215,844 (274) 2.23 6.83

Total as at June 30, 2025 167,448 166,155 (1,293)

5.6 Term finance certificates - non-performing securities

Name+B7:042 of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2025	Purchased during the year	Sold / redeemed during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of	
												Net assets	Total Investments
					----- Number of certificates -----			----- Rupees in '000 -----			----- % -----		

CEMENT

Dewan Cement Limited TFC
(Face value of Rs. 5,000 per certificate) Unrated Semi-annually January 17, 2030 6 month KIBOR plus base rate of 2.00% 30,000 - - 30,000 - - - - -

COMMERCIAL BANKS

Silk Bank Limited - TFC I
(Face value of Rs. 2,497 per certificate) Unrated Semi-annually August 10, 2025 6 month KIBOR plus base rate of 1.85% 20,000 - 20,000 - - - - -

LEASING COMPANIES

Saudi Pak Leasing Company Limited - TFC II
(Face value of Rs. 2,755 per certificate) Unrated - March 13, 2035 6.87% 15,000 - - 15,000 - - - - -

TECHNOLOGY & COMMUNICATION

Worldcall Telecom Limited - TFC III
(Face value of Rs. 1,537 per certificate) Unrated Semi-annually September 20, 2026 6 month KIBOR plus base rate of 1.60% 45,000 - - 45,000 - - - - -

TEXTILE COMPOSITE

Azgard Nine Limited VII (PPTFC)
(Face value of Rs. 3,000 per certificate) Unrated - April 29, 2031 5.00% 16,095 - - 16,095 - - - - -

Azgard Nine Limited - Zero Coupon
(Face value of Rs. 5,000 per certificate) Unrated - April 29, 2031 Zero - coupon bond 39,093 - - 39,093 - - - - -

MISCELLANEOUS

Pace (Pakistan) Limite TFC Revised
(Face value of Rs. 4,994 per certificate) Unrated Semi-annually February 15, 2045 6 month KIBOR plus base rate of 2.00% 30,000 - - 30,000 - - - - -

New Allied Electronic Industries (Private) Limited TFC
(Face value of Rs. 2,114 per certificate) Unrated Quarterly November 15, 2030 3 month KIBOR plus base rate of 3.00% 15,000 - - 15,000 - - - - -

Total as at June 30, 2026 - - - - -

Total as at June 30, 2025 - - - - -



- 5.6.1** The investee companies had defaulted on their obligation on account of principal and profit payments and accordingly the certificates had been classified as non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provisions amounting to Rs. 664.249 million (2025: Rs. 915.341 million) against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

During the period, the Fund has received Rs. 21.506 million (2025: Rs. 16.095 million) and Rs. 57.978 million (2025: Rs. 49.990 million) against recovery of provided term finance certificate of Azgard Nine Limited VII - PPTFC and Silk Bank Limited - TFC I respectively.

5.7 Redeemable preference shares - debt security

Name of the Investee Company	Note	As at July 1, 2025	Shares sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of	
								Net assets of the Fund	Total investments of the Fund
		(Number of shares)			(Rupees)			%	

CHEMICAL

Agritech Limited - Class A	5.7.1	23,933,757	23,933,757	-	-	-	-	-	-
Total as at June 30, 2026		23,933,757	23,933,757	-	-	-	-	-	-
Total as at June 30, 2025					-	-	-		

- 5.7.1** The Honourable Lahore High Court approved Agritech Limited's (AGL) Scheme of Arrangement (SoA) on July 5, 2022, which took effect retrospectively from December 31, 2013. With respect to non performing outstanding principal sukuks and term finance certificates issued by AGL, including the accrued profit portion. AGL, after correspondence with the creditors, has agreed in principle on the terms and conditions which are enumerated in the SoA.

The creditors, under the scheme had to opt out of the two options available or choose not to select any option. The Fund, in this regard, chose not to select any option as mentioned in the Scheme for the settlement of Fund's outstanding liability.

As a result of the above arrangement, on December 23, 2024 AGL issued 23,933,757 cumulative redeemable Class A Preference Shares with limited voting rights having face value amounting to Rs. 239,337,570 and remaining fractional amount of Rs. 7 to be paid in cash to the Fund in compliance with the SoA in settlement of the Principal and markup portion outstanding.

In compliance with the SoA, AGL disbursed tranches of Cash Flow Available for Debt Service (CFADS) payments, starting from September 27, 2022 to December 28, 2023 totalling Rs. 2,524,238 with the remaining liabilities being settled through preference shares.

AGL shall have the option to redeem these preference shares plus any accumulated unpaid dividends in full or in part, within ninety days after the expiry of first anniversary from the date of issue and subsequently, every anniversary thereafter, by giving at least thirty days notice.

In accordance with the applicable financial reporting standards, these cumulative redeemable Class A Preference Shares had been recorded at Rs. Nil citing reason that there is no active market of these unlisted preference shares. Therefore, the fair value of these shares is not determinable with accuracy.

During the year, these redeemable preference shares were disposed off at a face value of Rs. 10 per share to Fauji Fertilizer Company Limited - which was a related party at the time of disposal.

NBP INCOME OPPORTUNITY FUND



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5.8 Corporate sukuk certificate

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2025	Purchased during the year	Sold / redeemed during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (dminution) as at June 30, 2026	Market value as a percentage of	
					Number of certificates				Rupees in '000			Net assets of the Fund	Total investments of the Fund
												%	
CEMENT													
Javedan Corporation Limited Sukuk I (Face value of Rs. 16,667 per certificate)	AA-, VIS	Semi-annually	October 4, 2026	6 month KIBOR plus base rate of 1.75%	150	-	-	150	1,175	1,236	61	0.01	0.04
POWER GENERATION & DISTRIBUTION													
K-Electric Limited - Sukuk - V (Face value of Rs. 1,750 per certificate)	AA+, VIS	Quarterly	August 3, 2027	3 month KIBOR plus base rate of 1.70%	41,000	-	-	41,000	52,592	51,583	(1,009)	0.53	1.63
MISCELLANEOUS													
Shakarganj Food Products Limited Sukuk I (Face value of Rs. 140,000 per certificate)	BBB-, VIS	Quarterly	July 10, 2026	3 month KIBOR plus base rate of 1.75%	70	-	-	70	2,977	3,496	519	0.04	0.11
CHEMICAL													
Sitara Chemical Industries Limited (Face value of Rs. 1,000,000 per certificate)	AA-, VIS	Quarterly	February 12, 2032	3 month KIBOR plus base rate of 1.75%	-	9	-	9	9,000	9,050	50	0.09	0.29
TEXTILE COMPOSITE													
Mahmood Textile Mills Limited * (Face value of Rs. 1,000,000 per certificate)	A1, VIS	Quarterly	October 21, 2026	3 month KIBOR plus base rate of 0.45%	-	600	300	300	300,000	300,000	-	3.10	9.50
ENGINEERING													
Mughal Iron & Steel Industries Limited (Face value of Rs. 333,333 per certificate)	A1, VIS	Quarterly	August 13, 2026	3 month KIBOR plus base rate of 1.30%	-	50	-	50	16,666	16,667	1	0.17	0.53
ENERGY INFRASTRUCTURE													
Infraelectric (Private) Limited (Face value of Rs. 5,000 per certificate)	AAA, PACRA	Semi-annually	November 22, 2033	6 month - KIBOR plus base rate of 0.75%	-	1,340	-	1,340	6,700	6,700	-	0.07	0.21
Infraelectric (Private) Limited (Face value of Rs. 5,000 per certificate)	AAA, PACRA	Semi-annually	December 29, 2033	6 month - KIBOR plus base rate of 0.75%	-	4,612	-	4,612	23,060	23,060	-	0.24	0.73
Total as at June 30, 2026									412,170	411,792	(378)	4.25	13.03
Total as at June 30, 2025									974,707	973,245	(1,462)		

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit ratings.

5.9 Corporate sukuk certificates - non-performing securities

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2025	Purchased during the year	Sold / redeemed during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (dminution) as at June 30, 2026	Market value as a percentage of	
					Number of certificates				Rupees in '000			Net assets of the Fund	Total investments of the Fund
					%								
MISCELLANEOUS													
Eden Housing Limited Sukuk (2nd Issue) (Face value of Rs. 984 per certificate)	Unrated	Semi-annually	September 29, 2030	6 month KIBOR plus base rate of 2.50%	9,200	-	-	9,200	-	-	-	-	-
New Allied Electronic Industries (Private) Limited - Sukuk II (Face value of Rs. 4,905 per certificate)	Unrated	Semi-annually	December 3, 2030	6 month KIBOR plus base rate of 2.20%	9,000	-	-	9,000	-	-	-	-	-
Total as at June 30, 2026									-	-	-	-	-
Total as at June 30, 2025									-	-	-		



5.9.1 The investee companies had defaulted on their obligations on account of principal and profit payments and accordingly had been classified as non performing assets by the Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 53.205 million (2025: Rs. 53.205 million) against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.10 Letter of placement

Issue date	Counter Party	Face Value				Carrying value as at June 30, 2026	Carrying value as a percentage of	
		As at July 1, 2025	Purchased during the year	Matured during the year	As at June 30, 2026		Net assets of the Fund	Total investments of the Fund
		(Rupees in '000)					(%)	
July 11, 2025	Pak-Libya Holding Company Private Limited	-	600,000	600,000	-	-	-	-
August 01, 2025	Pak-Libya Holding Company Private Limited	-	600,000	600,000	-	-	-	-
October 07, 2025	United Bank Limited	-	1,000,000	1,000,000	-	-	-	-
November 14, 2025	Zarai Taraqiati Bank Limited	-	1,000,000	1,000,000	-	-	-	-
November 18, 2025	JS Bank Limited	-	1,000,000	1,000,000	-	-	-	-
November 19, 2025	Pak-Oman Inv. Co. Limited	-	1,000,000	1,000,000	-	-	-	-
November 24, 2025	Zarai Taraqiati Bank Limited	-	1,000,000	1,000,000	-	-	-	-
November 25, 2025	United Bank Limited	-	1,000,000	1,000,000	-	-	-	-
November 26, 2025	Zarai Taraqiati Bank Limited	-	1,000,000	1,000,000	-	-	-	-
November 28, 2025	United Bank Limited	-	1,000,000	1,000,000	-	-	-	-
December 05, 2025	Pak Brunei Investment Company	-	1,000,000	1,000,000	-	-	-	-
December 16, 2025	Pak Brunei Investment Company	-	1,000,000	1,000,000	-	-	-	-
December 19, 2025	Pak-Libya Holding Company Private Limited	-	1,000,000	1,000,000	-	-	-	-
December 22, 2025	Pak Brunei Investment Company	-	1,000,000	1,000,000	-	-	-	-
February 04, 2026	Zarai Taraqiati Bank Limited	-	1,000,000	1,000,000	-	-	-	-
February 17, 2026	JS Bank Limited	-	1,000,000	1,000,000	-	-	-	-
Total as at June 30, 2026		-	15,200,000	15,200,000	-	-	-	-

Carrying value as at June 30, 2025

-

5.11 Term deposit receipts

Name of investee company	Profit Rate per Annum	Maturity Date	Face value				Carrying value as at June 30, 2026	Carrying value as a percentage of	
			As at July 01, 2025	Purchases during the year	Sales / matured during the year	As at June 30, 2026		Net assets of the Fund	Total investments of the Fund
			----- (Rupees in 000') -----						
U Microfinance Bank Limited	13.49%	January 29, 2026	-	500,000	500,000	-	-	-	-
U Microfinance Bank Limited	13.49%	February 27, 2026	-	500,000	500,000	-	-	-	-
Soneri Bank Limited	10.50%	March 06, 2026	-	1,000,000	1,000,000	-	-	-	-
U Microfinance Bank Limited	13.49%	March 20, 2026	-	500,000	500,000	-	-	-	-
U Microfinance Bank Limited	13.49%	April 24, 2026	-	500,000	500,000	-	-	-	-
U Microfinance Bank Limited	13.49%	May 24, 2026	-	500,000	500,000	-	-	-	-
U Microfinance Bank Limited	13.49%	June 24, 2026	-	500,000	500,000	-	-	-	-
Total as at June 30, 2026			-	4,000,000	4,000,000	-	-	-	-

Carrying value as at June 30, 2025

-



5.12 Commercial paper

Name of Issuer	Tenure	Maturity Date	Face value				Carrying value as at June 30, 2026	Carrying value as a percentage of	
			As at July 01, 2025	Purchases during the year	Sales / matured during the year	As at June 30, 2026		Net assets of the Fund	Total investments of the Fund
			(Rupees in 000')						
Pakistan Microfinance Investment Company Limited	6 Months	March 11, 2026	-	250,000	250,000	-	-	-	-
Pakistan Microfinance Investment Company Limited	6 Months	October 07, 2026	-	250,000	-	250,000	242,449	2.50	7.67
Total as at June 30, 2026			-	500,000	250,000	250,000	242,449	2.50	7.67

Carrying value as at June 30, 2025

-

5.13 Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	Note	2026	2025
		-----Rupees in '000-----	
Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6 5.7, 5.8 & 5.9	2,916,796	7,523,808
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6 5.7, 5.8 & 5.9	(2,918,595)	(7,499,466)
		(1,799)	24,342

6 PROFIT RECEIVABLE

Profit receivable on:

- Bank balances	8,119	26,928
- Term finance certificates and sukuk certificates	11,249	39,180
- Pakistan investment bonds	23,251	21,872
- Other receivable	6,467	-
	49,086	87,980

7 ADVANCE, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLE

Advance tax	7.1	9,603	9,603
Security deposit with the Central Depository Company of Pakistan		100	100
Security deposit with the National Clearing Company of Pakistan		2,750	2,750
Prepaid Mutual Fund Rating fee		449	437
		12,902	12,890

- 7.1 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 section 151 and 150. However, during prior years, withholding tax on profit on bank deposits and debt securities paid to the Fund was deducted by various withholding agents based on the interpretation issued by Federal Board of Revenue (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 withholder. The tax withheld on profit on bank balances and debt securities amounted to Rs. 9.603 million (2025: Rs. 9.603 million).



For this purpose, the 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 debt securities have been shown as other receivables as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

8	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	2026	2025
			-----Rupees in '000-----	
	Management remuneration	8.1	10,335	13,500
	Sindh Sales Tax on management remuneration	8.2	1,550	2,025
	Reimbursement of selling and marketing expenses	8.3	-	1,235
	Sindh Sales Tax on reimbursement of selling and marketing expenses	8.2	-	185
	Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	8.4	-	2,783
	Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	8.2	-	417
	Sales load and transfer load including Sindh Sales Tax		1,529	1,308
	ADC payable including Sindh Sales Tax		710	95
			14,124	21,548

- 8.1** The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has substituted Regulation 60(5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, whereby the Management Company is entitled to remuneration not exceeding 1.5% per annum of the average daily net assets, applicable to "Income Scheme", with effect from July 01, 2025. Accordingly, during the year ended June 30, 2026 the Management company has charged its remuneration at the rate as follows:

2026:

- From July 01, 2025 to June 30, 2026 at the rate of 1.41% of the average annual net assets of the Fund.

2025:

- From July 01, 2024 to January 12, 2025 at the rate of 2.50% of the average annual net assets of the Fund.
- From January 13, 2025 to June 30, 2025 at the rate of 4.00% of the average annual net assets of the Fund.

- 8.2** 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% (2025: 15%) was charged on management remuneration and sales load.

- 8.3** Previously, pursuant to Circular No. 11 dated July 5, 2019, the Management Company was entitled to charge selling and marketing expenses to the Collective Investment Scheme (CIS). However, the Securities and Exchange Commission of Pakistan (SECP), through S.R.O. 600(I)/2025 dated April 10, 2025, amended Schedule XX of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, whereby the chargeability of selling and marketing expenses was discontinued with effect from April 10, 2025. Accordingly, the Management Company has not charged any selling and marketing expenses to the Fund during the current year.

- 8.4** Previously, pursuant to Regulation 60 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company was entitled to charge fees and expenses relating to registrar services, accounting, operations and valuation services to the Collective Investment Scheme (CIS). However, the Securities and Exchange Commission of Pakistan (SECP), through S.R.O. 600(I)/2025 dated April 10, 2025, amended Schedule XX of the NBFC Regulations, whereby the chargeability of such expenses was discontinued with effect from April 10, 2025. Accordingly, the Management Company has not charged any such expenses to the Fund during the current year.



		2026	2025
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	-----Rupees in '000-----
	Remuneration payable	9.1	550 718
	Sindh Sales Tax payable on Trustee remuneration	9.2	83 108
	Settlement charges payable		15 110
			<u>648 936</u>
9.1	The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2025: 0.075%) per annum of average annual net assets of the Fund. Accordingly, the Fund has charged trustee fee at the above mentioned rate during the year.		
9.2	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% (2025: 15%) was charged on trustee remuneration.		
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2026 2025 ----- (Rupees in 000) -----
	Fee payable	10.1	<u>550 718</u>
10.1	In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.075% per annum of the average daily net assets of the Fund, applicable to an "Income Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2025: 0.075%) per annum of average the daily net assets during the year. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.		
11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026 2025 -----Rupees in '000-----
	Federal excise duty on remuneration of the Management		
	Company and sales load	11.1	40,695 40,695
	Auditors' remuneration payable		999 869
	Brokerage fee payable		15 15
	Settlement and bank charges payable		61 126
	Printing charges payable		- 36
	Withholding tax payable		32,037 131,330
	Capital gain tax payable		23,609 52,252
	Professional charges payable		232 463
	Other payable		116 266
			<u>97,764 226,052</u>
11.1	The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.		



With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (SCP) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs. 40.695 million (2025 Rs. 40.695 million) is being retained in these financial statements as the matter is pending before the SCP. Had the provision for FED not been made, the net asset value per unit of the Fund as at June 30, 2025 would have been higher by Re. 0.0460 (2025: Re 0.0502) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 (2025: Nil), except as disclosed elsewhere in these financial statements.

13 NUMBER OF UNITS IN ISSUE

	2026	2025
	-----Number of units-----	
Total units in issue at the beginning of the year	811,050,058	420,040,480
Add: Units issued during the year	1,736,208,435	5,097,524,070
Less: Units redeemed during the year	(1,661,679,576)	(4,706,514,492)
Total units in issue at the end of the year	885,578,917	811,050,058

14 AUDITORS' REMUNERATION

Annual audit fee	643	631
Half yearly review	266	262
Other certification	115	162
Out of pocket expenses including government levy	193	86
	1,217	1,141

15 CASH AND CASH EQUIVALENTS

Bank balances	4	4,297,776	3,370,890
Government securities - Market Treasury Bills	5.3	-	986,823
		4,297,776	4,357,713

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 a cash dividend. Provided that for the purpose of determining the 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, 2026 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, 2026.



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. Moreover, the super tax introduced through the Finance Act, 2015 is not applicable to the Fund under Section 4B of the Income Tax Ordinance, 2001.

17 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The previously applicable TER limit of 2.5% for a collective investment scheme categorised as an "Income Scheme" has been replaced with a management fee, which is disclosed in note 8.1 to these financial statements for collective investment schemes categorised as "Income Scheme".

18 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

18.1 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, other associated companies, any entity in which the Management Company, its collective investment schemes (CISs) or their connected persons have material interest. Connected persons also include any person or company beneficially owing directly or indirectly ten percent or more of net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

18.2 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.

18.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

18.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

	2026	2025
18.5 Details of transactions with related parties / connected persons during the year are as follows:	----- Rupees in '000 -----	

NBP Fund Management Limited - the Management Company

Remuneration of NBP Fund Management Limited - the Management Company	149,592	85,467
Sindh Sales Tax on remuneration of the Management Company	22,439	12,820
Reimbursement of selling and marketing expenses	-	18,343
Sindh Sales Tax on reimbursement of selling and marketing expenses	-	2,751
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	-	4,064
Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	-	610
Sales load and transfer load including Sindh Sales Tax	4,859	7,324
ADC charges including Sindh Sales Tax	1,200	936
Dividend re-invest: Nil units (2025: 516 units)	-	6
Units redeemed: Nil units (2025: 516 units)	-	6
Units issued to unitholders on behalf of the Management Company	-	9,627



	2026	2025
	----- Rupees in '000 -----	
National Bank of Pakistan - Parent of Management Company		
Profit on bank balance	6	196
CDC Trustee Punjab Pension Fund Trust - unit holder with more than 10% holding		
Units issued: 93,083,896 units (2025: Nil units)	1,000,000	-
Dividend re-invest: 3,547,938 units (2025: Nil units)	38,697	-
NBP Employees Pension Fund - unit holder with more than 10% holding		
Units issued: 7,810,724 units (2025: 19,129 units)	85,163	209
Dividend re-invest: 26,434,111 units (2025: 23,666,617 units)	288,314	257,774
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	7,957	5,492
Sindh Sales Tax on remuneration of the Trustee	1,194	824
Settlement charges	191	466
Units issued : 61,167,038 units (2025: Nil units)	698,922	-
Units redeemed : 28,816,926 units (2025: Nil units)	354,984	-
Employees of the Management Company		
Dividend re-invest: 8,802 units (2025: 14,650 units)	96	161
Units issued: 25,637,262 units (2025: 19,286,343 units)	295,938	230,438
Units redeemed: 26,066,754 units (2025: 16,868,887 units)	307,238	206,648
Taurus Securities Limited - subsidiary of Parent company		
Brokerage expense	599	404
Fauji Fertilizer Company Limited - common directorship **		
Sale of preference shares	239,338	-
Units issued: 520,818,533 units (2025: 520,818,533 units)	-	6,460,036
Units redeemed: 447,317,456 units (2025: 447,317,456 units)	-	5,703,072
K-Electric Limited - common directorship **		
Profit on sukuk	-	19,322
Telenor Microfinance Bank Limited - common directorship		
Profit on bank balance	-	4
First Credit and Investment Bank Limited - common directorship		
Dividend re-invest: 96 units (2025: 955 units)	1	11
Brokerage expense	-	4
Portfolio managed by the Management Company		
Dividend re-invest: 180,946 units (2025: 27,046 units)	1,973	323
Units issued: 32,261,198 units (2025: 27,810,170 units)	352,125	304,756
Units redeemed: 26,996,679 units (2025: 24,344,608 units)	332,443	311,525
Purchase of market treasury bills	-	353,053
Sale of market treasury bills	-	84,756
Muhammad Murtaza Ali - Company Secretary and Chief Financial Officer of the Management Company		
Dividend re-invest units issued: Nil units (2025: 21 units)	-	-
Units redeemed: 147 units (2025: Nil)	2	-

	2026	2025
	----- Rupees in '000 -----	
Faisal Ahmed - Director of the Management Company		
Dividend re-invest: Nil units (2025: 80 units)	-	1
Units issued: Nil units (2025: 7 Units) *	-	-
Units redeemed: 60 units (2025: Nil)	1	-
Haider Amjad - shareholder of Management Company		
Dividend re-invest units issued: Nil units (2025: 1 unit)	-	-
Units issued: Nil units (2025: 224,263 units)	-	2,657
Units redeemed: Nil units (2025: 224,264 units)	-	2,659
Funds managed by the Management Company		
Profit on bank balance	6,467	-
*Nil due to rounding off		
18.6 Amounts / balances outstanding as at year end are as follows:		
CDC Trustee NBP Islamic Government Securities Plan III		
- Fund managed by Management Company		
Sale of sukuk certificate	-	106,073
NBP Fund Management Limited - the Management Company		
Management remuneration	10,335	13,500
Sindh Sales Tax on management remuneration	1,550	2,025
Reimbursement of selling and marketing expenses	-	1,235
Sindh Sales Tax on reimbursement of selling and marketing expenses	-	185
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	-	2,783
Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	-	417
Sales load and transfer load including Sindh Sales Tax	1,529	1,308
ADC payable including Sindh Sales Tax	710	95
Central Depository Company of Pakistan Limited - the Trustee		
Trustee remuneration	550	718
Sindh Sales Tax on Trustee remuneration	83	108
Security deposit	100	100
Settlement charges payable	15	110
Units held : 32,350,112 units (2025: Nil)	354,001	-
K-Electric Limited - common directorship **		
Sukuk certificates	-	93,592
Profit receivable on sukuk certificates	-	2,058
National Bank of Pakistan - Parent of the management company		
Bank balances	1,153	2,062
Profit receivable on bank balances	32	32
NBP Employees Pension Fund - unit holder with more than 10% holding		
Units held: 234,781,232 units (2025: 200,536,398 units)	2,569,164	2,186,509
CDC Trustee Punjab Pension Fund Trust - unit holder with more than 10% holding		
Units held: 95,211,196 units (2025: Nil units)	1,041,907	-

	2026	2025
	----- Rupees in '000 -----	
Telenor Microfinance Bank Limited - common directorship		
Bank balance	8	8
Profit receivable on bank balances	2	2
Portfolio managed by the Management Company		
Units held in the Fund: 32,444,677 units (2025: 26,999,211 units)	355,036	294,380
Employees of the Management Company		
Units held in the Fund: 2,158,569 units (2025: 2,579,259 units)	23,621	28,122
Muhammad Murtaza Ali - Company Secretary and Chief Financial Officer of the Management Company		
Units held in the Fund: 1 unit (2025: 147 units)	-	2
Faisal Ahmed - Director of the Management Company		
Units held in the Fund: Nil units (2025: 87 units) *	-	1
Fauji Fertilizer Company Limited - common directorship **		
Units held in the Fund: Nil units (2025: 73,501,077 units) **	-	801,404
First Credit and Investment Bank Limited - common directorship		
Units held in the Fund: 1,142 units (2025: 1,045 units)	12	11
Receivable / (payable) from funds under management by Management Company against conversion of units		
NBP Financial Sector Income Plus Fund	947,263	-
NBP Islamic Income Fund	822,767	-
NBP Savings Fund	260,747	-
NBP Government Securities Liquid Fund	257,183	-
NBP Cash Plan - I	86,424	-
NBP Islamic Money Market Fund	40,358	-
NBP Islamic Savings Fund	37,579	-
NBP Government Securities Plan - IV	12,307	-
NBP Money Market Fund	5,605	-
NBP Mahana Amdani Fund	4,997	-
NBP Income Plan - I	2,990	-
NBP Riba Free Savings Fund *	-	-
NBP Islamic Daily Dividend Fund	(1,316)	-
NBP Islamic Mahana Amdani Fund	(61,003)	-
NBP Financial Sector Income Fund	(76,300)	-
Funds managed by the Management Company		
Profit receivable	6,467	-

* Nil due to rounding off.

** Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at the period end.

*** Comparative balances with these parties have not been disclosed as these parties were not related parties in the prior period.



19 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

	2026		
	At fair value through profit or loss	At amortised cost	Total
Bank balances	-	4,297,776	4,297,776
Investments	2,916,796	242,449	3,159,245
Profit receivable	-	49,086	49,086
Receivable from funds under management by Management Company against conversion of units	-	2,526,390	2,526,390
Deposits	-	2,850	2,850
	2,916,796	7,118,551	10,035,347

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	-	14,124	14,124
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	648	648
Payable against conversion and redemption of units	-	241,608	241,608
Accrued expenses and other liabilities	-	1,423	1,423
	-	257,803	257,803

Financial assets

	2025		
	At fair value through profit or loss	At amortised cost	Total
Bank balances	-	3,370,890	3,370,890
Investments	7,523,808	-	7,523,808
Profit receivable	-	87,980	87,980
Receivable from funds under management by Management Company against conversion of units	-	2,306,016	2,306,016
Deposits	-	2,850	2,850
	7,523,808	5,767,736	13,291,544

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	-	21,548	21,548
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	936	936
Payable against conversion and redemption of units	-	4,209,203	4,209,203
Accrued expenses and other liabilities	-	42,470	42,470
	-	4,274,157	4,274,157

20 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 primarily set up to be performed based on the limits established by the Management Company, the constitutive documents of the Fund 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 the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 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 / interest rate risk

Yield / interest rate risk is the risk that the future cash flows of financial instruments will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks, investment in corporate sukuk certificates, market treasury bills, term finance certificates and Pakistan Investment Bonds. 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 KIBOR based sukuk certificates, term finance certificates, Pakistan Investment Bonds, and bank balances which expose the Fund to cash flow profit 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. 68.130 million (2025: Rs. 53.080 million).

(b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds market treasury bills which expose the Fund to cash flow profit 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 lower / higher by Rs. 3.996 million (2025: Rs. 55.830 million).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

NBP INCOME OPPORTUNITY FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 and June 30, 2025 can be determined as follows:

2026						
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit 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	0.10% to 12.00%	4,295,818	-	-	1,958	4,297,776
Investments	11.19% - 13.91%	545,832	242,449	2,370,964	-	3,159,245
Profit receivable		-	-	-	49,086	49,086
Receivable from funds under management by Management Company against conversion of units		-	-	-	2,526,390	2,526,390
Deposits		-	-	-	2,850	2,850
		4,841,650	242,449	2,370,964	2,580,284	10,035,347
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	14,124	14,124
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	648	648
Payable against conversion and redemption of units		-	-	-	241,608	241,608
Accrued expenses and other liabilities		-	-	-	1,423	1,423
		-	-	-	257,803	257,803
On-balance sheet gap		4,841,650	242,449	2,370,964	2,322,481	9,777,544
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total profit rate sensitivity gap		4,841,650	242,449	2,370,964		
Cumulative profit rate sensitivity gap		4,841,650	5,084,099	7,455,063		

2025						
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit 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	0.10% - 11.55%	3,367,583	-	-	3,307	3,370,890
Investments	11.06% - 13.69%	2,773,972	3,049,045	1,700,791	-	7,523,808
Profit receivable		-	-	-	87,980	87,980
Receivable from funds under management by Management Company against conversion of units		-	-	-	2,306,016	2,306,016
Deposits		-	-	-	2,850	2,850
		6,141,555	3,049,045	1,700,791	2,400,153	13,291,544



2025					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

----- Rupees in '000-----

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company

Payable to Central Depository Company of Pakistan Limited - the Trustee

Payable against conversion and redemption of units

Accrued expenses and other liabilities -

-	-	-	62,243	62,243
-	-	-	936	936
-	-	-	4,209,203	4,209,203
-	-	-	1,775	1,775
-	-	-	4,274,157	4,274,157

On-balance sheet gap

6,141,555	3,049,045	1,700,791	(1,874,004)	9,017,387
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Off-balance sheet financial instruments

-	-	-	-	-
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Off-balance sheet gap

-	-	-	-	-
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Total profit rate sensitivity gap

6,141,555	3,049,045	1,700,791
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Cumulative profit rate sensitivity gap

6,141,555	9,190,600	10,891,391
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(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(ii) 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 interest 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 does not have any financial instruments which are subject to price risk as of June 30, 2026.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not hold any instruments that expose it to price risk (other than those arising from profit rate risk or currency risk) as of June 30, 2026.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily 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. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active or over the counter market and can be readily disposed of and are considered readily realisable.



As per the NBFC Regulations, the Fund can borrow in the short term to ensure settlement, the maximum limit of which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also 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 redemptions during the year ended June 30, 2026.

"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 date. However, the liabilities that are payable on demand have been included in the maturity grouping of one month."

2026						
Within one 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 five years	Financial instruments with no fixed maturity	Total

Rupees in '000

Financial liabilities

Payable to NBP Fund Management Limited
the Management Company
Payable to Central Depository Company
of Pakistan Limited - the Trustee
Payable against conversion and redemption of units
Accrued expenses and other liabilities

14,124	-	-	-	-	-	14,124
648	-	-	-	-	-	648
241,608	-	-	-	-	-	241,608
424	999	-	-	-	-	1,423
256,804	999	-	-	-	-	257,803

2025						
Within one 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 five years	Financial instruments with no fixed maturity	Total

Rupees in '000

Financial liabilities

Payable to NBP Fund Management Limited
the Management Company
Payable to Central Depository Company
Pakistan Limited - the Trustee
Payable against conversion and redemption of units
Accrued expenses and other liabilities

21,548	-	-	-	-	-	21,548
936	-	-	-	-	-	936
4,209,203	-	-	-	-	-	4,209,203
906	889	-	-	-	-	1,795
4,232,593	889	-	-	-	-	4,233,482



20.3 Credit risk

20.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arises from deposits with bank and financial institution, profit receivable on bank deposits and receivable against sale of investment. Credit risk arising on financial assets is monitored through regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, investment manager monitors the credit position on daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. Difference in the balance as per statement of assets and liabilities and maximum exposure to credit risk is due to the fact that investment in market treasury bills Rs. 399.640 million (2025: Rs. 4,973.017 million), and Pakistan investment bonds Rs. 1,889.520 million (2025: Rs. 1,411.391 million) and profit receivable on these securities Rs. 23.251 million (2025: Rs. 21.872 million) are not exposed to credit risk as these are guaranteed by the Government of Pakistan.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

20.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, sukuk certificates, term finance certificates and accrued profit thereon. The credit rating profile of balances with banks and profit receivable thereon are as follows:

Rating	2026	2025
Bank balances and profit receivable thereon	----- Rupees in '000 -----	
AAA	2,386,520	1,946,410
AA+	107	-
AA	3,598	1,700
AA-	997,340	109,815
A+	384,735	1,091,690
A-	-	340
A	533,595	249,888
	4,305,895	3,399,843

20.3.3 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 FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Consequently, differences can arise between carrying values and the fair value estimates.

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing at the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair value.

At fair value through profit or loss

Government securities - Market Treasury

Bills	-	399,640	-	399,640
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Government securities - Pakistan

investment bonds	-	1,889,520	-	1,889,520
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Corporate sukuk certificates

	25,717	386,075	-	411,792
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Term finance certificates

	215,844	-	-	215,844
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	241,561	2,675,235	-	2,916,796
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At fair value through profit or loss

Government securities - Market Treasury

Bills	-	4,973,017	-	4,973,017
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Government securities - Pakistan

investment bonds	-	1,411,391	-	1,411,391
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Corporate sukuk certificates

	102,592	870,653	-	973,245
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Term finance certificates

	75,000	91,155	-	166,155
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	177,592	7,346,216	-	7,523,808
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There were no transfers between levels during the year.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends 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 restriction on the subscription and redemption of units. As required under the NBFC Regulations every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.



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 the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

23 UNIT HOLDING PATTERN OF THE FUND

Category	2026			2025		
	Number of unit holders	Investment amount *	% of total	Number of unit holders	Investment amount *	% of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	6,279	4,293,025	44.30%	6,060	4,483,972	50.71%
Insurance companies	2	-	0.00%	3	21,801	0.25%
NBFCs	2	13	0.00%	1	-	0.00%
Public limited companies	9	367,094	3.79%	5	801,404	9.06%
Retirement funds	43	1,623,564	16.75%	50	570,743	6.45%
Associated companies and directors	2	2,569,239	26.51%	5	2,186,574	24.73%
Banks & Development Financial Institutions	-	-	-	1	11	0.00%
Others	108	837,770	8.65%	114	778,622	8.80%
	6,445	9,690,705	100.00%	6,239	8,843,127	100.00%

* "Nil" due to rounding off

24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2026	Name of broker	2025
	% of commission paid		% of commission paid
MRA Securities Limited	89.86%	MRA Securities Limited	75.65%
Growth Securities	4.98%	JS Global Capital Limited	10.94%
Taurus Securities Limited*	4.30%	Taurus Securities Limited*	9.01%
J.S. Global Capital Limited	0.84%	Chase Securities Pakistan (Private) Limited	1.80%
Topline Securities Limited	0.02%	Mangenta Capital Private Limited	0.95%
		Alfalah Securities (Private) Limited	0.51%
		C & M Management (Private) Limited	0.47%
		Pearl Securities Limited	0.31%
		Summit Capital (Private) Limited	0.22%
		Invest One Markets Limited	0.14%
	100.00%		100.00%

*a related party

25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience in
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business	37
Asim Wahab Khan	Chief Investment Officer	CFA	19
Salman Ahmed	Head of Fixed Income	CFA	20
Muhammad Waseem	Head of Research	CFA	11
Usama Bin Razi	Senior Manager - Fixed Income	BE, MBA	21

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

- 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 Sarmaya Izafa Fund
- NBP Islamic Government Securities Fund - I
- NBP Government Securities Liquid Fund
- NBP Money Market Fund
- NBP Government Securities Savings Fund
- NBP Mahana Amdani Fund
- NBP Financial Sector Income Fund
- NBP Savings Fund
- NBP Sarmaya Izafa Fund
- NBP Financial Sector Income Plus Fund
- NBP Mustahkam Fund - II
- NBP Income Fund Of Fund
- NBP Government Securities Fund - I
- NBP Mustahkam Fund
- NBP Islamic Mustahkam Fund

26 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 106th, 107th, 108th, 109th, 110th, and 111th Board Meetings were held on July 26, 2025, August 21, 2025, August 23, 2025, October 30, 2025, February 17, 2026, and April 30, 2026, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of directors	Number of meetings			Meetings not attended
	Held / applicable	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	6	6	0	106th Meeting
Faisal Ahmed ***	5	5	0	
Mehnaz Salar	6	6	0	
Ali Saigol	6	5	1	
Imran Zaffar	6	6	0	
Khalid Mansoor *	3	3	0	
Saad Amanullah Khan *	3	3	0	
Umar Ahsan Khan	6	6	0	



Name of directors	Number of meetings			Meetings not attended
	Held / applicable	Attended	Leave granted	
Tahir Jawaid **	3	3	0	
Saad Muzaffar Waraich **	3	2	1	111th Meeting
Syed Mujtaba Abbas ****	0	0	0	
Amjad Waheed	6	6	0	

* Mr Khalid Mansoor and Mr. Saad Amanullah Khan retired from the Board on October 03, 2025

** Mr. Tahir Jawaid and Mr. Saad Muzaffar Waraich were appointed on the Board on October 04, 2025

*** Mr. Faisal Ahmed resigned from the Board on March 09, 2026

**** Mr. Syed Mujtaba Abbas was appointed on the Board on March 30, 2026, and his approval was granted by SECP on July 02, 2026

27 GENERAL

Figures have been rounded off to the nearest thousand of rupees, unless otherwise specified.

28 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 04, 2026 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director



PERFORMANCE TABLE

Particulars	For the year ended June 30, 2026	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
Net assets (Rs. '000')	9,690,705	8,843,127	4,566,384	4,995,128	7,374,543	7,953,620
Net Income / (loss) (Rs. '000')	1,330,465	1,149,886	909,449	881,113	912,546	512,086
Net Asset Value per units (Rs.)	10.9428	10.9033	10.8713	10.8454	10.7953	10.7671
Offer price per unit	11.0686	11.0287	10.9941	10.9680	10.9173	10.8888
Redemption price per unit	10.9428	10.9033	10.8713	10.8454	10.7953	10.7671
Ex - Highest offer price per unit (Rs.)	0	11.0287	10.9941	10.9680	10.9173	10.8888
Ex - Lowest offer price per unit (Rs.)	0	9.3461	9.0599	9.4654	9.9389	10.1012
Ex - Highest redemption price per unit (Rs.)	10.9428	10.9033	10.8713	10.8454	10.7953	10.7671
Ex - Lowest redemption price per unit (Rs.)	9.653703541	9.2398	8.9586	9.3597	9.8279	9.9883
Fiscal Year Opening Ex NAV	9.650605661	9.2357	8.9536	9.3560	9.8237	9.9858
Total return of the fund	13.39%	18.06%	21.35%	15.92%	9.89%	7.82%
Capital growth	0.41%	0.35%	0.22%	0.54%	0.29%	0.12%
Income distribution as % of Ex-NAV	12.98%	17.71%	21.13%	15.38%	9.60%	7.70%
Income distribution as % of Par Value	14.15%	19.25%	22.92%	16.61%	10.34%	8.29%
Interim distribution per unit	1.4153	1.9253	2.2915	1.6607	1.034	0.8285
Final distribution per unit		-	-	-	-	-
Distribution dates						
Interim	19-Jun-26	26-Jun-25	27-Jun-24	23-Jun-23	24-Jun-22	28-Jun-21
Interim		-	-	-	-	-
Final		-	-	-	-	-
Average annual return (launch date April 21, 2006)						
(Since inception to June 30, 2026)	10.14%					
(Since inception to June 30, 2025)		9.97%				
(Since inception to June 30, 2024)			9.55%			
(Since inception to June 30, 2023)				8.89%		
(Since inception to June 30, 2022)					8.47%	
(Since inception to June 30, 2021)						8.38%
(Since inception to June 30, 2020)						
Portfolio Composition (Please see Fund Manager Report)						
Weighted average portfolio duration	108 Days	182 days	274 Days	125 Days	15 Days	22 Days
"Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up."						

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

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