



Islamic Savings

اسلامک سیونرز

NBP Fund Management Limited



# NBP ISLAMIC GOVERNMENT SECURITIES FUND - I

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

BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Meezan Bank Limited  
Soneri Bank Limited  
United Bank Limited  
National Bank of Pakistan



## **Auditors**

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

## **Shariah Auditors**

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

## **Shariah Advisor**

Mufti Ehsan Waqar Ahmad  
House no B-187/1, Gulshan-e-Iqbal,  
Block 4A, Karachi.

## **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.nbp-funds.com](http://www.nbp-funds.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



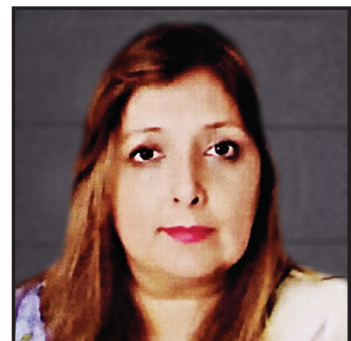
**Mr. Imran Zaffar**  
Director



**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 3rd Annual Report of **NBP Islamic Government Securities Plan- III (NIGSP-III)** for the year ended June 30, 2026.

### Fund's Performance

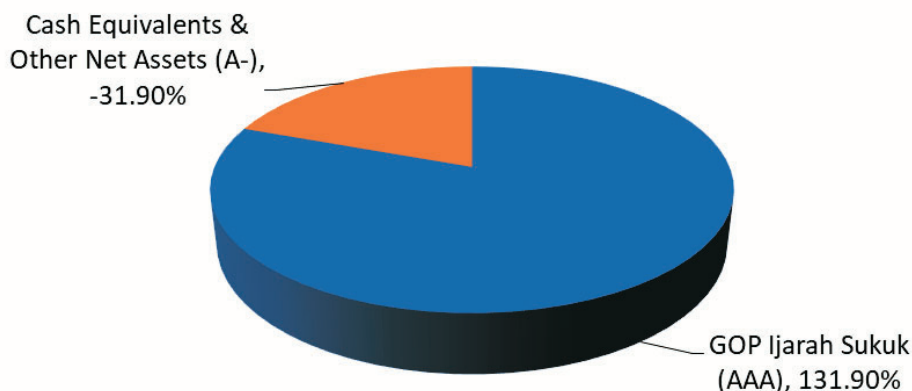
The Shariah-compliant corporate bond market remained subdued, with fresh Sukuk issuance of around Rs. 11 billion and total outstanding of Rs. 57 billion. GIS and GDS through the PSX attracted Rs. 3.14 trillion across short-, medium- and long-term maturities, with cut-offs ranging from 9.5% to 12.9%. Liquidity management reflected market appetite, maturity constraints and monetary policy expectations, with acceptance trends remaining selective.

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.

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

The size of NBP Islamic Government Securities Plan- III (NIGSP-III) has decreased from Rs. 2.8 billion to Rs. 0.9 billion during the period (a decrease of 68%). The unit price of the Fund has increased from Rs. 9.3333 (Ex-Div) on June 30, 2025 to Rs. 10.0945 on June 30, 2026, thus showing a return of 8.2% as compared to the benchmark return of 9.9% for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 182.37 million during the year. After deducting total expenses of Rs. 31.02 million, the net income is Rs. 151.35 million. The asset allocation of NIGSP-III as on June 30, 2026 is as follows:



### Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 7.607% of the opening ex-NAV (7.640% 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, Grant Thornton Anjum Rahman Chartered Accountants, retired and, being eligible, offer themselves for re-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 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 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 20 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                                                                                                                                       |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Independent Directors</b>   | 1. Mr. Tahir Jawaid<br>2. Mr. Saad Muzaffar Waraich<br>3. Mr. Umar Ahsan Khan                                                               |
| <b>Executive Director</b>      | Dr. Amjad Waheed - Chief Executive Officer                                                                                                  |
| <b>Non-Executive Directors</b> | 1. Shaikh Muhammad Abdul Wahid Sethi (Chairman)<br>2. Syed Mujtaba Abbas<br>3. Ms. Mehnaz Salar<br>4. Mr. Ali Saigol<br>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 منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP اسلامک گورنمنٹ سیکورٹیز پلان-III (NIGSP-III) کی تیسری سالانہ رپورٹ برائے ختمہ سال 30 جون 2026ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### فنڈ کی کارکردگی

شریعہ کمپلائنسٹ کارپوریٹ بانڈ مارکیٹ میں سرگرمیاں محدود رہیں، اور تقریباً 11 بلین روپے مالیت کے نئے سکوک جاری کیے گئے، جبکہ مجموعی زیر گردش سکوک کی مالیت 57 بلین روپے رہی۔ GIS اور GDS نے پاکستان اسٹاک ایکسچینج (PSX) کے ذریعے قلیل، درمیانی اور طویل مدتی میچورٹیز میں مجموعی طور پر 3.14 ٹریلین روپے کی سرمایہ کاری حاصل کی، جبکہ کٹ آف شرحیں 9.5 فیصد سے 12.9 فیصد کے درمیان رہیں۔ لیکویڈٹی منیجمنٹ میں مارکیٹ کی طلب، میچورٹی کی پابندیوں اور مانیٹری پالیسی سے متعلق توہمات کا اثر نمایاں رہا، جبکہ قبولیت کے رجحانات بدستور محتاط اور منتخب رہے۔

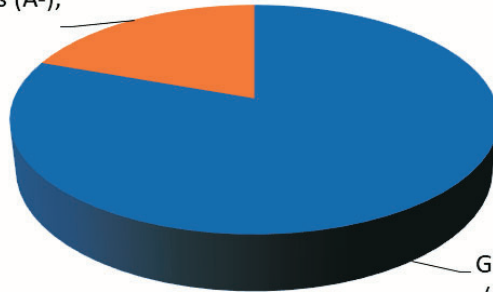
مالی سال 26 کے دوران افراط زر اور بیرونی حالات میں تبدیلی کے باعث مانیٹری پالیسی کا مؤقف بھی تبدیل ہوتا رہا۔ مالی سال 25 میں شرح سود میں کمی کے سلسلے کے بعد، اسٹیٹ بینک آف پاکستان (SBP) نے دسمبر 2025 میں پالیسی ریٹ میں 50 بیس پوائنٹس کی کمی کرتے ہوئے اسے 10.5 فیصد کر دیا، تاہم امریکہ-ایران تنازع میں 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 بیس 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۔

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

فنڈ NBP اسلامک گورنمنٹ سیکورٹیز پلان-III (NIGSP-III) کا سائز مدت کے دوران 2.8 بلین روپے سے کم ہو کر 0.9 بلین روپے ہو گیا (68% کی کمی)۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2025 کو 9.3333 (Ex-Div) روپے سے بڑھ کر 10.0945 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 9.9% کے مقابلے میں 8.2% کا منافع درج کیا۔ فنڈ کی یکا کر دگی منیجمنٹ فیس اور دیگر تمام اخراجات منہا کرنے کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 182.37 بلین روپے کی مجموعی آمدنی کمائی۔ 31.02 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 151.35 بلین روپے ہے۔ NIGSP-III کی ایسٹ ایلوکیشن بمطابق 30 جون 2026ء حسب ذیل ہے۔

Cash Equivalents &  
Other Net Assets (A-),  
-31.90%



GOP Ijarah Sukuk  
(AAA), 131.90%

### آمدنی کی تقسیم

منیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2026ء سال کے اختتام پر اوپننگ ex-NAV کا 7.607% (بنیادی قیمت کا 7.640%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## نیکیشن

چونکہ مذکورہ بالا نقد 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 منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر انکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

## آڈیٹرز

موجودہ آڈیٹر، مینسرز گرانٹ تھارنٹ انجم رحمان، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے اور اہل ہونے کی بنا پر، 30 جون 2027 کو ختم ہونے والے سال کی دوبارہ تفری کے لیے خود کو پیش کرتے ہیں۔

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

1. مینجمنٹ 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 باقی تھیں 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 دواں 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 ٹیمیل / 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 مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی 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 20 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                                                                                                                                                                                                      | کینگری                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <ol style="list-style-type: none"> <li>1. جناب طاہر جاوید</li> <li>2. جناب سعد مظفر وڑائچ</li> <li>3. جناب عمر احسن خان</li> </ol>                                                                       | آزاد ڈائریکٹرز         |
| ڈاکٹر امجد وحید - چیف ایگزیکٹو آفیسر                                                                                                                                                                     | ایگزیکٹو ڈائریکٹر      |
| <ol style="list-style-type: none"> <li>1. شیخ محمد عبدالواحد سیٹھی (چیئر مین)</li> <li>2. سید مجتبیٰ عباس</li> <li>3. محترمہ مہناز سالار</li> <li>4. جناب علی سیگل</li> <li>5. جناب عمران ظفر</li> </ol> | نان ایگزیکٹو ڈائریکٹرز |



اظہار تشکر

بورڈ اس موقع پر اپنے معزز یونٹ ہولڈرز کا تہہ دل سے شکریہ ادا کرتا ہے کہ انہوں نے میٹجمنٹ کمپنی پر اپنے اعتماد اور بھروسہ کا اظہار کیا اور اسے اپنی خدمت کا موقع فراہم کیا۔ بورڈ سکیورٹیز اینڈ ایکسیچینج 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 ٹرسٹی کی جانب سے دکھائی جانے والی محنت، لگن اور عزم کی بھی قدر اور ان کی خدمات کو خراج تحسین پیش کرتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ میجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو آفیسر

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 Islamic Government Securities Fund - I (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 Islamic Government Securities Plan- III

NBP Islamic Government Securities Plan- III (NIGSP-III) is an Open-End Shariah Compliant Income Fund.

#### Investment Objective of the Fund

To provide investors with attractive returns, by investing primarily in Shariah Compliant Government Securities.

#### Benchmark

90% six (6) months PKISRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.

#### Fund Performance Review

This is the 3rd Annual report since the launch of the Fund on January 19, 2024. The Fund is awarded a stability rating of AA(f) by PACRA. The Fund size decreased by 68% and stands at Rs. 0.9 billion as of June 30, 2026. Since its inception, the Fund has earned an annualized return of 13.3% p.a. versus the benchmark return of 13.0% p.a., thus registering an outperformance of 0.3% p.a. During FY26, the Fund posted a return of 8.2% p.a. as compared to the benchmark return of 9.9% p.a. The performance is net of management fee and all other expenses.

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

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 Shariah-compliant corporate bond market remained subdued, with fresh Sukuk issuance of around Rs. 11 billion and total outstanding of Rs. 57 billion. GIS and GDS through the PSX attracted Rs. 3.14 trillion across short-, medium- and long-term maturities, with cut-offs ranging from 9.5% to 12.9%. Liquidity management reflected market appetite, maturity constraints and monetary policy expectations, with acceptance trends remaining selective.

#### Asset Allocation of Fund (% of NAV)

| Particulars         | 30-Jun-26      | 30-Jun-25      |
|---------------------|----------------|----------------|
| GOP Ijara Sukuk     | 131.90%        | 94.14%         |
| Cash & Other Assets | -31.90%        | 5.86%          |
| <b>Total</b>        | <b>100.00%</b> | <b>100.00%</b> |

#### Distribution for the Financial Year 2025

| Interim Period/Quarter | Dividend as % of Par Value (Rs.10) | Cumulative Div. Price/Unit | Ex- Div. Price |
|------------------------|------------------------------------|----------------------------|----------------|
| June 2026              | 7.640%                             | 10.8073%                   | 10.0433        |



## Unit Holding Pattern of NBP Islamic Government Securities Plan- III as on June 30, 2026

| Size of Unit Holding (Units) | # of Unit Holders |
|------------------------------|-------------------|
| 1-1000                       | 579               |
| 1001-5000                    | 78                |
| 5001-10000                   | 38                |
| 10001-50000                  | 79                |
| 50001-100000                 | 23                |
| 100001-500000                | 40                |
| 500001-1000000               | 8                 |
| 1000001-5000000              | 21                |
| 5000001-10000000             | 3                 |
| <b>Total</b>                 | <b>869</b>        |

### During the period under question

There has been no significant change in the state of affairs of the Fund. NBP Islamic Government Securities Plan- III does not have any soft commission arrangement with any broker in the industry.



## STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

**NBP Islamic Government Securities Fund I** (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2026. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: **September 04, 2026**  
Karachi

**Dr. Amjad Waheed, CFA**  
Chief Executive Officer



## REPORT OF THE SHARI'AH SUPERVISORY BOARD

**August 24, 2026**

The period from July 1, 2025 to June 30, 2026 marks the third year of operations of NBP Islamic Government Securities Fund (the "NIGSF-I" or the "Fund"), managed by NBP Fund Management Limited (the "NBP Funds" or the "Management Company"). During this period, the Shariah compliance of the Fund's investment and operational activities was reviewed in accordance with the prescribed Shariah guidelines, and this report provides an opinion thereon.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended **June 2026** comply with the provided Shariah guidelines.

Where any income was identified as having been generated from sources not permissible under Shariah, the same has been dealt with in accordance with the prescribed purification mechanism and, where applicable, transferred/credited to the Charity Account for disbursement in accordance with Shariah requirements.

Therefore, it is resolved that NBP Islamic Government Securities Fund managed by NBP Funds Management Limited is Compliant and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited

**For and on behalf of Shariah Technical Services & Support Provider:**

**Faraz Younus Bandukda, CEO**

**For and on behalf of NBP Fund's Shariah Supervisory Board.**

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**Mufti Irshad Ahmad Aijaz**  
Member  
Shariah Supervisory Board

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**Mufti Muhammad Najeeb Khan**  
Member  
Shariah Supervisory Board

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**Mufti Ehsan Waquar**  
Shariah Advisor & Chairman  
Shariah Supervisory Board



## **INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023**

**To The Board of Directors of NBP Fund Management Limited**

### **1. Introduction**

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of **NBP Islamic Government Securities Fund - I** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the period ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

### **2. Applicable Criteria**

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the period ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- a) legal and regulatory framework administered by the SECP;
- b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;
- c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;
- d) guidance and recommendations of the Shariah advisory committee, as notified by the SECP; and
- e) approvals, rulings or pronouncements of Shariah Supervisory board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above.

Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the period ended June 30, 2026, which are annexed.

### **3. Management's Responsibility for Shariah Compliance**

Management is responsible to ensure that the financial arrangements, contracts, and transactions, having Shariah implications, entered into by the Fund with its unit holders, other financial institutions and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for the design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

### **4. Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management (ISQM-1) "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## 5. Our Responsibility and Summary of the Work Performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications, with Shariah principles in all material respects for the period ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

## 6. Conclusion

Based on our reasonable assurance engagement, we report that, in our opinion, the Fund's financial arrangements, contracts, and transactions for the period ended June 30, 2026 are in compliance with the Shariah principles (criteria specified in paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Nadeem Yousuf Adil**.

**Yousuf Adil**  
Chartered Accountants

Date: **September 08, 2026**  
Place: Karachi

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

### TO THE UNIT HOLDERS OF NBP ISLAMIC GOVERNMENT SECURITIES FUND-I

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **NBP Islamic Government Securities Fund - I** (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 movements in unit holder's fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policies 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 approved 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 the Management Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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 period. 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. Following is the key audit matter:

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Existence, completeness and valuation of balances with banks and investments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Balances with banks and investments constitute a significant component of the net assets of the Fund, representing 93% of total assets as at June 30, 2026. Balances with banks and investments as at June 30, 2026, amounted to Rs. 1,223 million as disclosed in note 5 and 6 to the financial statements.</p> <p>The existence &amp; valuation of investments and existence of balances with bank directly determines the Net Asset Value (NAV) of the Fund, which forms the basis for the issuance and redemption price of units. Given the significance of investments to the financial statements and the level of judgement involved in determining fair value, we considered the existence, completeness and valuation of investments to be a key audit matter</p> | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of relevant controls placed by the Management company over acquisition, disposal, custody and valuation of investment;</li> <li>• Verified completeness of investments by reconciling the CDC account statement with the Fund's investment portfolio as at year end;</li> <li>• Verified the existence of investments by reconciling the CDC account statement with the Fund's investment portfolio as at year end;</li> <li>• Verified the valuation of investments against quoted PSX closing rates;</li> </ul> |



| Key Audit Matter | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | <ul style="list-style-type: none"> <li>• Recomputed unrealised gain/(loss) on re-measurement of investments; and</li> <li>• Performed test of details on sale, purchase, and maturity of investment.</li> <li>• Obtain direct confirmation for balances with banks and traced it with the books of the fund where such confirmation is not available alternate procedure will perform.</li> <li>• Obtain bank reconciliation statement and tested reconciling items.</li> </ul> |

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information 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 or 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 and Board of Directors (the Board) for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as management 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 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 either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board is 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 Fund'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 the 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board 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, 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

Based on our audit, we further report that in our opinion:

- a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- b) proper books and records have been kept by the Collective Investment Schemes and the financial statements prepared are in agreement with the books and records of the Collective Investment Schemes; and
- c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

## Other matter

The annual financial statement of the Fund for the year ended June 30, 2025 were audited by another firm of chartered accountants, whose audit report dated September 4, 2025, expressed an unmodified opinion.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb**.

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Karachi

Date September 08, 2026  
UDIN: AR202610126hNCAO8coB

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2026

|                                                                     |      | 2026                        | 2025               |
|---------------------------------------------------------------------|------|-----------------------------|--------------------|
|                                                                     | Note | ----- Rupees in '000' ----- |                    |
| <b>Assets</b>                                                       |      |                             |                    |
| Bank balances                                                       | 5    | 136,668                     | 222,781            |
| Investments                                                         | 6    | 1,086,126                   | 1,880,135          |
| Receivable against conversion of units                              |      | 1,856                       | 1,005,681          |
| Profit receivable                                                   | 7    | 27,135                      | 33,304             |
| Deposit and prepayments                                             | 8    | 206                         | 196                |
| Preliminary expenses and floatation costs                           | 9    | 191                         | 374                |
| <b>Total assets</b>                                                 |      | <b>1,252,182</b>            | <b>3,142,471</b>   |
| <b>Liabilities</b>                                                  |      |                             |                    |
| Payable to NBP Fund Management Limited - Management Company         | 10   | 4,453                       | 12,658             |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11   | 180                         | 241                |
| Payable to the Securities and Exchange Commission of Pakistan       | 12   | 71                          | 199                |
| Payable against redemption of units                                 |      | 349,788                     | 292,321            |
| Accrued expenses and other liabilities                              | 13   | 10,209                      | 30,430             |
| <b>Total liabilities</b>                                            |      | <b>364,701</b>              | <b>335,849</b>     |
| <b>Net assets</b>                                                   |      | <b>887,481</b>              | <b>2,806,622</b>   |
| <b>Unit Holders' Fund (as per statement attached)</b>               |      | <b>887,481</b>              | <b>2,806,622</b>   |
| <b>Contingencies and commitments</b>                                | 14   |                             |                    |
|                                                                     |      | ----- Number of units ----- |                    |
| <b>Number of units in issue</b>                                     | 15   | <b>87,917,287</b>           | <b>279,452,673</b> |
|                                                                     |      | ----- (Rupees) -----        |                    |
| <b>Net Asset value per unit</b>                                     |      | <b>10.0945</b>              | <b>10.0433</b>     |

The annexed notes 1 to 31 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' ----- | -----          |
| <b>INCOME</b>                                                                                    |      |                             |                |
| Income on GoP ijarah sukuks certificates                                                         |      | 163,315                     | 708,210        |
| Profit on bank balances                                                                          |      | 36,185                      | 174,975        |
| Net realised loss on sale of investments                                                         |      | (1,134)                     | (44,027)       |
| Net unrealised (loss)/gain on re-measurement of investments at fair value through profit or loss | 6.2  | (16,001)                    | 16,137         |
| <b>Total income</b>                                                                              |      | <b>182,365</b>              | <b>855,295</b> |
| <b>Expenses</b>                                                                                  |      |                             |                |
| Remuneration of NBP Fund Management Limited - Management Company                                 | 10.1 | 22,803                      | 52,089         |
| Sindh sales tax on remuneration of the Management Company                                        | 10.2 | 3,420                       | 7,813          |
| Reimbursement of allocated expenses                                                              | 10.3 | -                           | 1,822          |
| Sindh sales tax on reimbursement of allocated expenses                                           |      | -                           | 273            |
| Reimbursement of selling and marketing expenses                                                  | 10.4 | -                           | 6,375          |
| Sindh sales tax on reimbursement of selling and marketing expenses                               |      | -                           | 956            |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee                         | 11.1 | 1,063                       | 3,553          |
| Sindh sales tax on remuneration - Trustee                                                        | 11.2 | 159                         | 533            |
| Fee to the Securities and Exchange Commission of Pakistan                                        | 12   | 1,449                       | 4,845          |
| Amortisation of preliminary expenses and floatation costs                                        | 9    | 183                         | 183            |
| Auditors' remuneration                                                                           | 16   | 841                         | 837            |
| Legal and professional charges                                                                   |      | 180                         | 75             |
| Annual listing fee                                                                               | 17   | 62                          | 29             |
| Shariah advisory fee                                                                             |      | 130                         | 625            |
| Settlement and bank charges                                                                      |      | 514                         | 606            |
| Printing charges                                                                                 |      | -                           | 50             |
| Securities transaction cost                                                                      |      | 14                          | 823            |
| Annual rating fee                                                                                |      | 202                         | 220            |
| <b>Total expenses</b>                                                                            |      | <b>31,020</b>               | <b>81,707</b>  |
| <b>Net income for the year before taxation</b>                                                   |      | <b>151,345</b>              | <b>773,588</b> |
| Taxation                                                                                         | 18   | -                           | -              |
| <b>Net income for the year after taxation</b>                                                    |      | <b>151,345</b>              | <b>773,588</b> |
| <b>Earnings per unit</b>                                                                         | 4.13 |                             |                |
| <b>Allocation of net profit for the year:</b>                                                    |      |                             |                |
| Net income for the year after taxation                                                           |      | 151,345                     | 773,588        |
| Income already paid on units redeemed                                                            |      | (110,357)                   | (679,021)      |
|                                                                                                  |      | <b>40,988</b>               | <b>94,567</b>  |
| <b>Accounting income available for distribution:</b>                                             |      |                             |                |
| - Relating to capital gains                                                                      |      | -                           | -              |
| - Excluding capital gains                                                                        |      | 40,988                      | 94,567         |
|                                                                                                  |      | <b>40,988</b>               | <b>94,567</b>  |

The annexed notes 1 to 31 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' ----- |                |
| <b>Net income for the year after taxation</b>  | <b>151,345</b>              | <b>773,588</b> |
| Other comprehensive income for the year        | -                           | -              |
| <b>Total comprehensive income for the year</b> | <b>151,345</b>              | <b>773,588</b> |

The annexed notes 1 to 31 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) |                      |                | (Rupees in '000) |                      |                  |
| Net assets at the beginning of the year                                                                  | 2,801,699        | 4,923                | 2,806,622      | 609,648          | 1,645                | 611,293          |
| Issuance of 181,429,247 units (2025, 2,258,464,476 units)                                                |                  |                      |                |                  |                      |                  |
| - Capital value (at net asset value per unit at the beginning of year)                                   | 1,822,148        | -                    | 1,822,148      | 22,645,849       | -                    | 22,645,849       |
| - Element of income                                                                                      | 53,819           | -                    | 53,819         | 1,667,791        | -                    | 1,667,791        |
| Total proceeds on issuance of units                                                                      | 1,875,967        | -                    | 1,875,967      | 24,313,640       | -                    | 24,313,640       |
| Redemption of 372,964,633 units (2025, 2,039,976,180 units)                                              |                  |                      |                |                  |                      |                  |
| - Capital value (at net asset value per unit at the beginning of year)                                   | (3,745,796)      | -                    | (3,745,796)    | (20,455,045)     | -                    | (20,455,045)     |
| - Element of loss                                                                                        | (33,598)         | (110,357)            | (143,955)      | (1,555,256)      | (679,021)            | (2,234,277)      |
| Total payments on redemption of units                                                                    | (3,779,394)      | (110,357)            | (3,889,751)    | (22,010,301)     | (679,021)            | (22,689,322)     |
| Total comprehensive income for the year                                                                  | -                | 151,345              | 151,345        | -                | 773,588              | 773,588          |
| Interim distribution for the year ended June 30, 2025<br>@ Rs. 1.4769 per unit declared on June 24, 2025 | -                | -                    | -              | (111,288)        | (91,289)             | (202,577)        |
| Interim distribution for the year ended June 30, 2026<br>@ Rs. 0.764 per unit declared on June 23, 2026  | (19,736)         | (36,966)             | (56,702)       | -                | -                    | -                |
|                                                                                                          | (19,736)         | (36,966)             | (56,702)       | (111,288)        | (91,289)             | (202,577)        |
| <b>Net assets at the end of the year</b>                                                                 | <b>878,536</b>   | <b>8,945</b>         | <b>887,481</b> | <b>2,801,699</b> | <b>4,923</b>         | <b>2,806,622</b> |
| Undistributed income brought forward                                                                     |                  |                      |                |                  |                      |                  |
| - Realised loss                                                                                          |                  | (11,214)             |                |                  | (149)                |                  |
| - Unrealised income                                                                                      |                  | 16,137               |                |                  | 1,794                |                  |
|                                                                                                          |                  | 4,923                |                |                  | 1,645                |                  |
| Accounting income available for distribution:                                                            |                  |                      |                |                  |                      |                  |
| - Relating to capital gains                                                                              |                  | -                    |                |                  | -                    |                  |
| - Excluding capital gains                                                                                |                  | 40,988               |                |                  | 94,567               |                  |
|                                                                                                          |                  | 40,988               |                |                  | 94,567               |                  |
| Distributions during the year                                                                            |                  | (36,966)             |                |                  | (91,289)             |                  |
| <b>Undistributed income carried forward</b>                                                              |                  | <b>8,945</b>         |                |                  | <b>4,923</b>         |                  |
| <b>Undistributed income carried forward:</b>                                                             |                  |                      |                |                  |                      |                  |
| - Realised income / (loss)                                                                               |                  | 24,946               |                |                  | (11,214)             |                  |
| - Unrealised (loss) / income                                                                             |                  | (16,001)             |                |                  | 16,137               |                  |
|                                                                                                          |                  | 8,945                |                |                  | 4,923                |                  |
|                                                                                                          | (Rupees)         |                      |                | (Rupees)         |                      |                  |
| Net asset value per unit at the beginning of the year                                                    |                  | 10.0433              |                |                  | 10.0271              |                  |
| Net asset value per unit at the end of the year                                                          |                  | 10.0945              |                |                  | 10.0433              |                  |

The annexed notes 1 to 31 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 ----- |                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                        |                            |                  |
| Net income for the year before taxation                                                            | 151,345                    | 773,588          |
| <b>Adjustments:</b>                                                                                |                            |                  |
| Income on GoP ijarah sukuks certificates                                                           | (163,315)                  | (708,210)        |
| Profit on bank balances                                                                            | (36,185)                   | (174,975)        |
| Net realised loss on sale of investments                                                           | 1,134                      | 44,027           |
| Net unrealised loss / (gain) on re-measurement of investments at fair value through profit or loss | 16,001                     | (16,137)         |
| Amortisation of preliminary expenses and floatation costs                                          | 183                        | 183              |
|                                                                                                    | (182,182)                  | (855,112)        |
| <b>(Increase) / decrease in assets</b>                                                             |                            |                  |
| Investments - net                                                                                  | 776,874                    | (1,332,565)      |
| Deposit and prepayments                                                                            | (10)                       | 58               |
|                                                                                                    | 776,864                    | (1,332,507)      |
| <b>Increase / (decrease) in liabilities</b>                                                        |                            |                  |
| Payable to NBP Fund Management Limited - the Management Company                                    | (8,205)                    | 11,409           |
| Payable to Central Depository Company of Pakistan Limited - the Trustee                            | (62)                       | 196              |
| Payable to the Securities and Exchange Commission of Pakistan                                      | (128)                      | 154              |
| Accrued expenses and other liabilities                                                             | (20,221)                   | 29,234           |
|                                                                                                    | (28,616)                   | 40,993           |
| Profit received on bank balances and GoP Ijara sukuks certificates                                 | 205,669                    | 868,244          |
| <b>Net cash generated from / (used in) operating activities</b>                                    | <b>923,080</b>             | <b>(504,794)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                        |                            |                  |
| Amount received against issuance of units                                                          | 2,860,056                  | 23,196,671       |
| Amount paid against redemption of units                                                            | (3,832,283)                | (22,397,001)     |
| Dividend paid                                                                                      | (36,966)                   | (91,289)         |
| <b>Net cash (used in) / generated from financing activities</b>                                    | <b>(1,009,193)</b>         | <b>708,381</b>   |
| <b>Net (decrease) / increase in cash and cash equivalents during the year</b>                      | <b>(86,113)</b>            | <b>203,587</b>   |
| Cash and cash equivalents at the beginning of the year                                             | 222,781                    | 19,194           |
| <b>Cash and cash equivalents at the end of the year</b>                                            | <b>136,668</b>             | <b>222,781</b>   |

The annexed notes 1 to 31 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 Islamic Government Securities Fund - I (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company ('The Management Company') and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 26, 2023, in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).
- 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 (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 Shariah compliant '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 - Initial Public Offering at a par value of Rs 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from January 19, 2024 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of the Fund is to offer attractive returns, by investing primarily in Shariah Compliant Government Securities. The investment objectives and policies are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on May 05, 2026 (2025: AM1 on May 05, 2025). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has given the stability rating of the Fund to AA(f) on April 22, 2026 (2025: AA(f) on April 17, 2025).
- 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 PRESENTATION**

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

### **3 BASIS OF PREPARATION**

#### **3.1 Statement of compliance**

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of, directives and notifications 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, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

### 3.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements and hence, therefore, not been disclosed in these financial statements.

### 3.3 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2025. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

There are certain other amendments that are mandatory for the Fund's accounting period beginning on or after July 1, 2026 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, have not been disclosed in these financial statements.

### 3.4 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. These 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 areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- classification of financial assets (note 4.1.2);
- impairment of financial assets (note 4.1.5);
- provisions (note 4.4);
- taxation (note 4.12); and
- contingencies and commitments (14)



### 3.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments that have been measured at fair values. 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 23.

### 3.6 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.

## 4 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 periods presented, unless otherwise stated.

### 4.1 Financial assets

#### 4.1.1 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.

#### 4.1.2 Classification and subsequent measurement

##### Debt instruments (include GoP ijarah sukuks certificates)

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

- amortised cost; or
- 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.

#### 4.1.3 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.

#### 4.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

## Financial assets 'at fair value through profit or loss'

### Basis of valuation of Government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenure of the securities.

### Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

#### 4.1.5 Impairment (other than debt securities)

The Fund assesses on a forward-looking basis the expected credit losses (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 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

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.

#### 4.1.6 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 is 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 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 been placed on the Management Company's website as required by the SECP's Circular.



## 4.1.7 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.

## 4.1.8 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.

## 4.2 Financial liabilities

### 4.2.1 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 value and subsequently stated at amortised cost.

### 4.2.2 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.

## 4.3 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.

## 4.4 Provisions

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

## 4.5 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.

## 4.6 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 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 is equal to the NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

**4.7 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 the 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.

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

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income / (loss) is a transaction of capital nature and the receipt and payment of element of income / (loss) 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.

**4.9 Revenue recognition**

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which these arise;
- Income on GoP ijarah sukuk certificates 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.

**4.10 Expenses**

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

**4.11 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

**4.12 Taxation****Current**

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.



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

## Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

### 4.13 Earnings per unit

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

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

### 4.14 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 period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

|                                             |                                                                                                                                                                                                                                                                                                                                   | 2026                       | 2025             |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------|
|                                             | Note                                                                                                                                                                                                                                                                                                                              | ----- Rupees in '000 ----- |                  |
| <b>5 BANK BALANCES</b>                      |                                                                                                                                                                                                                                                                                                                                   |                            |                  |
| Savings accounts                            | 5.1                                                                                                                                                                                                                                                                                                                               | 135,993                    | 221,994          |
| Current accounts                            |                                                                                                                                                                                                                                                                                                                                   | 675                        | 786              |
|                                             |                                                                                                                                                                                                                                                                                                                                   | <u>136,668</u>             | <u>222,781</u>   |
| <b>5.1</b>                                  | These include balances of Rs. 0.114 million (2025: Rs. 0.435 million ) maintained with the National Bank of Pakistan (a related party) that carry profit at the rates ranging from 6% to 10.5% (2025: 6%). Other savings accounts of the Fund carry profit at the rates ranging from 0.1% to 16% (2025: 0.1% to 10.4%) per annum. |                            |                  |
| <b>6 INVESTMENTS</b>                        |                                                                                                                                                                                                                                                                                                                                   |                            |                  |
| <b>At fair value through profit or loss</b> |                                                                                                                                                                                                                                                                                                                                   |                            |                  |
| GoP Ijarah Sukuks Certificates              | 6.1                                                                                                                                                                                                                                                                                                                               | <u>1,086,126</u>           | <u>1,880,135</u> |

# NBP ISLAMIC GOVERNMENT SECURITIES FUND - I

## 6.1 GoP Ijarah Sukuks Certificates

| Name of the security                                                                       | Profit payments / principal redemptions | Issue date         | Maturity date      | Profit rate / yield               | As at July 1, 2025     | Purchased during the year | Sold / matured during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised (diminution) / appreciation | Market value as a percentage of |                        |
|--------------------------------------------------------------------------------------------|-----------------------------------------|--------------------|--------------------|-----------------------------------|------------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|----------------------------------------|---------------------------------|------------------------|
|                                                                                            |                                         |                    |                    |                                   |                        |                           |                                |                     |                                    |                                  |                                        | total investments of the Fund   | net assets of the Fund |
|                                                                                            |                                         |                    |                    |                                   | Number of certificates |                           |                                | (Rupees in '000)    |                                    |                                  | %                                      |                                 |                        |
| GoP Ijarah sukuk GDS - Listed Sukuks Discounted (Face value of Rs. 5,000 per certificate)  | At maturity                             | December 03, 2023  | December 03, 2025  | 10.55%                            | 18,578                 | 20,000                    | 38,578                         | -                   | -                                  | -                                | -                                      | -                               | -                      |
| GoP Ijarah sukuk GDS - Listed Sukuks Discounted (Face value of Rs. 5,000 per certificate)  | At maturity                             | November 06, 2024  | November 06, 2025  | 11.00%                            | 396                    | -                         | 396                            | -                   | -                                  | -                                | -                                      | -                               | -                      |
| GoP Ijarah sukuk GDS - Listed Sukuks Discounted (Face value of Rs. 5,000 per certificate)  | At maturity                             | August 15, 2024    | August 15, 2025    | 10.91%                            | 99,995                 | 49,999                    | 149,994                        | -                   | -                                  | -                                | -                                      | -                               | -                      |
| GoP Ijarah sukuk GDS - Listed Sukuks Discounted (Face value of Rs. 5,000 per certificate)  | At maturity                             | October 20, 2024   | October 20, 2025   | 9.68%                             | 24,998                 | -                         | 24,998                         | -                   | -                                  | -                                | -                                      | -                               | -                      |
| GoP Ijarah sukuk GDS - Listed Sukuks Discounted (Face value of Rs. 5,000 per certificate)  | At maturity                             | July 25, 2024      | July 25, 2025      | 17.22%                            | 999                    | -                         | 999                            | -                   | -                                  | -                                | -                                      | -                               | -                      |
| GoP Ijarah sukuk GDS - Listed Sukuks Discounted (Face value of Rs. 5,000 per certificate)  | At maturity                             | January 08, 2025   | January 08, 2026   | 10.24%                            | 37,500                 | -                         | 37,500                         | -                   | -                                  | -                                | -                                      | -                               | -                      |
| GoP Ijarah sukuk GDS - Listed Sukuks Discounted (Face value of Rs. 5,000 per certificate)  | At maturity                             | July 23, 2025      | July 23, 2026      | 9.99%                             | -                      | 72,500                    | 50,000                         | 22,500              | 111,879                            | 111,757                          | (122)                                  | 0.10                            | 0.13                   |
| GoP Ijarah sukuk GIS - FRR - XVIII (Face value of Rs. 5,000 per certificate)               | Semi-annually / At maturity             | September 18, 2024 | September 18, 2027 | 13.89%                            | 12,500                 | -                         | -                              | 12,500              | 66,250                             | 64,050                           | (2,200)                                | 0.06                            | 0.07                   |
| GoP Ijarah sukuk GIS - Listed Sukuk FRR - XXI (Face value of Rs. 5,000 per certificate)    | Semi-annually / At maturity             | October 21, 2024   | October 21, 2027   | 11.50%                            | 12,500                 | -                         | -                              | 12,500              | 64,331                             | 62,619                           | (1,712)                                | 0.06                            | 0.07                   |
| GoP Ijarah sukuk GIS - VRR - XLI (Face value of Rs. 100,000 per certificate)               | Semi-annually / At maturity             | December 04, 2023  | December 04, 2026  | Weighted average 6 months T-Bills | 11                     | -                         | -                              | 11                  | 1,106                              | 1,101                            | (5)                                    | 0.00                            | 0.00                   |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XVIII (Face value of Rs. 5,000 per certificate)  | Semi-annually / At maturity             | September 18, 2024 | September 18, 2027 | Weighted average 6 months T-Bills | 82,500                 | -                         | -                              | 82,500              | 415,841                            | 413,779                          | (2,062)                                | 0.38                            | 0.47                   |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXI (Face value of Rs. 5,000 per certificate)    | Semi-annually / At maturity             | October 21, 2024   | October 21, 2027   | Weighted average 6 months T-Bills | 25,000                 | -                         | -                              | 25,000              | 126,038                            | 124,000                          | (2,038)                                | 0.11                            | 0.14                   |
| GoP Ijarah sukuk GIS - VRR - XXVIII (Face value of Rs. 5,000 per certificate)              | Semi-annually / At maturity             | June 28, 2024      | June 28, 2027      | Weighted average 6 months T-Bills | 5,000                  | -                         | -                              | 5,000               | 25,243                             | 25,080                           | (163)                                  | 0.02                            | 0.03                   |
| GoP Ijarah sukuk GIS - Listed Sukuk FRR - XXI (Face value of Rs. 5,000 per certificate)    | Semi-annually / At maturity             | October 21, 2024   | October 21, 2029   | 12.10%                            | 12,500                 | -                         | -                              | 12,500              | 66,213                             | 63,869                           | (2,344)                                | 0.06                            | 0.07                   |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XVIII (Face value of Rs. 5,000 per certificate)  | Semi-annually / At maturity             | September 18, 2024 | September 18, 2029 | Weighted average 6 months T-Bills | 12,500                 | -                         | -                              | 12,500              | 63,644                             | 62,500                           | (1,144)                                | 0.06                            | 0.07                   |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXI (Face value of Rs. 5,000 per certificate)    | Semi-annually / At maturity             | October 21, 2024   | October 21, 2029   | Weighted average 6 months T-Bills | 25,000                 | -                         | -                              | 25,000              | 127,313                            | 123,625                          | (3,688)                                | 0.11                            | 0.14                   |
| GoP Ijarah sukuk GIS - VRR - XXVI (Face value of Rs. 100,000 per certificate)              | Semi-annually / At maturity             | October 26, 2022   | October 26, 2027   | Weighted average 6 months T-Bills | 30                     | -                         | -                              | 30                  | 3,045                              | 3,003                            | (42)                                   | 0.00                            | 0.00                   |
| GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXVIII (Face value of Rs. 5,000 per certificate) | Semi-annually / At maturity             | June 28, 2024      | June 28, 2029      | Weighted average 6 months T-Bills | 5,000                  | -                         | -                              | 5,000               | 25,265                             | 24,858                           | (407)                                  | 0.02                            | 0.03                   |
| GoP Ijarah sukuk GIS - VRR - XXIV (Face value of Rs. 100,000 per certificate)              | Semi-annually / At maturity             | October 29, 2021   | October 29, 2026   | Weighted average 6 months T-Bills | 59                     | -                         | -                              | 59                  | 5,959                              | 5,885                            | (74)                                   | 0.01                            | 0.01                   |
| GoP Ijarah sukuk GIS - FRR - XVII (Face value of Rs. 5,000 per certificate)                | At maturity                             | June 26, 2023      | June 26, 2026      | 18.49%                            | -                      | 2,300                     | 2,300                          | -                   | -                                  | -                                | -                                      | -                               | -                      |
| Total as at June 30, 2026                                                                  |                                         |                    |                    |                                   |                        |                           |                                |                     | 1,102,127                          | 1,086,126                        | (16,001)                               | 100%                            | 122%                   |
| Total as at June 30, 2025                                                                  |                                         |                    |                    |                                   |                        |                           |                                |                     | 1,863,998                          | 1,880,135                        | 16,137                                 | 100%                            | 67%                    |

## 6.2 Unrealised (diminution)/appreciation on re-measurement of investments classified as 'at fair value through profit or loss' - net

Market value of investments  
Less: carrying value of investments

Note

6.1  
6.1

|  | 2026                       | 2025        |
|--|----------------------------|-------------|
|  | ----- Rupees in '000 ----- |             |
|  | 1,086,126                  | 1,880,135   |
|  | (1,102,127)                | (1,863,998) |
|  | (16,001)                   | 16,137      |

|                                                       |      | 2026                       | 2025          |
|-------------------------------------------------------|------|----------------------------|---------------|
|                                                       | Note | ----- Rupees in '000 ----- |               |
| <b>7 PROFIT RECEIVABLE</b>                            |      |                            |               |
| Profit receivable on:                                 |      |                            |               |
| - Bank balances                                       |      | 1,317                      | 6,574         |
| - GoP Ijarah Sukuks Certificates                      |      | 25,818                     | 26,730        |
|                                                       |      | <u>27,135</u>              | <u>33,304</u> |
| <b>8 DEPOSITS AND PREPAYMENTS</b>                     |      |                            |               |
| Security deposit with Central Depository              |      |                            |               |
| Company of Pakistan Limited - Trustee (related party) |      | 100                        | 100           |
| Prepaid rating fee                                    |      | 106                        | 96            |
|                                                       |      | <u>206</u>                 | <u>196</u>    |
| <b>9 PRELIMINARY EXPENSES AND FLOATATION COSTS</b>    |      |                            |               |
| At the beginning of the year                          |      | 374                        | 557           |
| Less: amortisation during the year                    | 9.1  | (183)                      | (183)         |
| At the end of the year                                |      | <u>191</u>                 | <u>374</u>    |

- 9.1** Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are paid by NBP Fund Management Limited (a related party). These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

|                                                                         |      | 2026                       | 2025          |
|-------------------------------------------------------------------------|------|----------------------------|---------------|
|                                                                         | Note | ----- Rupees in '000 ----- |               |
| <b>10 PAYABLE TO NBP FUND MANAGEMENT LIMITED THE MANAGEMENT COMPANY</b> |      |                            |               |
| Remuneration payable to the Management Company                          | 10.1 | 1,112                      | 3,137         |
| Sindh sales tax on remuneration payable to the Management Company       | 10.2 | 167                        | 471           |
| Allocated expenses payable                                              | 10.3 | -                          | 1,822         |
| Sindh sales tax on allocated expenses payable                           |      | -                          | 273           |
| Sales and transfer load payable                                         |      | 2,030                      | 2,977         |
| Sindh sales tax payable on sales load and transfer load payable         |      | 304                        | 446           |
| Alternate delivery channel charges payable                              |      | 176                        | -             |
| Sindh sales tax on alternate delivery channel charges                   |      | 14                         | 644           |
| Selling and marketing expenses payable                                  | 10.4 | -                          | 1,946         |
| Sindh sales tax on selling and marketing expenses payable               |      | -                          | 292           |
| Other payable                                                           |      | 650                        | 650           |
|                                                                         |      | <u>4,453</u>               | <u>12,658</u> |

- 10.1** As per regulation 60(5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended vide S.R.O. 600(I)/2025 dated April 10, 2025, the Management Company is entitled to a remuneration not exceeding 1.50% per annum of the average daily net assets of the Fund, applicable to "Income Scheme" category, with effect from July 1, 2025. The Fund has charged remuneration during the year ended June 30, 2026 at the rate of 1.18% per annum of the daily net assets of the Fund (2025: 0.75% of average annual net



assets from July 01, 2024 to November 24, 2024; 0.45% of average annual net assets from November 25, 2024 to December 08, 2024; 0.25% of average annual net assets from December 09, 2024 to January 12, 2025; 0.75% of average annual net assets from January 13, 2025 to January 15, 2025; and 1.18% of average annual net assets from January 16, 2025 to June 30, 2025 of the average annual net assets, under the erstwhile Total Expense Ratio regime). The remuneration is payable to the Management Company monthly in arrears.

- 10.2** This represents the amount payable in respect of Sindh sales tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of the Management Company, levied under the Sindh sales tax on Services Act, 2011, as amended by the Sindh Finance Act, 2025.
- 10.3** In accordance with regulation 60(s) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company was allowed to charge fees and expenses related to registrar services, accounting, operation and valuation services related to the CIS, as a component of the Total Expense Ratio sub-caps then in force. Pursuant to the amendments introduced vide S.R.O. 600(I)/2025 dated April 10, 2025, the former Total Expense Ratio sub-cap regime under which this fee was separately chargeable has been discontinued and replaced with a single unified cap on management fee, with effect from July 01, 2025. Accordingly, the Management Company has not charged any separate fee under this clause during the year ended June 30, 2026 (2025: Nil from July 01, 2024 to November 24, 2024; 0.1% of average annual net assets of the Fund from November 25, 2024 to January 12, 2025; and Nil from January 13, 2025 to June 30, 2025).
- 10.4** In accordance with Circular 11 dated July 5, 2019, the Management Company was previously permitted to charge selling and marketing expenses to the Fund, based on its own discretion and subject to the overall Total Expense Ratio limit of the Fund as defined under the NBFC Regulations, 2008. Further, the SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs, as prescribed in Schedule XX of the NBFC Regulations, wherein the SECP has excluded the chargeability of selling and marketing expenses from the schedule. This amendment was effective immediately upon its release on April 10, 2025. Accordingly, no selling and marketing expenses have been charged to the Fund during the year ended June 30, 2026 (During the year ended June 30, 2025, the Management Company charged such expenses at the rate of Nil from July 01, 2024 to November 24, 2024, 0.2% of average annual net assets from November 25, 2024 to December 08, 2024, 0.4% of average annual net assets from December 09, 2024 to January 12, 2025, and Nil from January 13, 2025 to June 30, 2025).

|    |                                                                                | 2026        | 2025                              |
|----|--------------------------------------------------------------------------------|-------------|-----------------------------------|
| 11 | <b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE</b> | <b>Note</b> | <b>----- Rupees in '000 -----</b> |
|    | Trustee fee payable                                                            | 11.1        | 52                                |
|    | Sindh sales tax payable on trustee fee                                         | 11.2        | 8                                 |
|    | Settlement charges payable                                                     |             | 120                               |
|    |                                                                                |             | <b>180</b>                        |
|    |                                                                                |             | 146                               |
|    |                                                                                |             | 22                                |
|    |                                                                                |             | 73                                |
|    |                                                                                |             | <b>241</b>                        |

- 11.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.055% (2025: 0.055%) per annum of the average annual net assets of the Fund.
- 11.2** This represents amount payable in respect of Sindh sales tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

## **12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Under the provisions of the NBFC Regulations, a collective investment scheme categorised as an "Income Scheme" is required to pay, as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075% (2025: 0.075%) of the average annual net assets of the Fund. Further, the Fund is required to pay the SECP fee within fifteen days of the close of every calendar month.



|                                                  | 2026                       | 2025          |
|--------------------------------------------------|----------------------------|---------------|
|                                                  | ----- Rupees in '000 ----- |               |
| <b>13 ACCRUED EXPENSES AND OTHER LIABILITIES</b> |                            |               |
| Auditors' remuneration payable                   | 807                        | 577           |
| Legal and professional charges payable           | 35                         | 125           |
| Shariah advisory fee payable                     | 151                        | 656           |
| Withholding tax payable                          | 2,662                      | 7,716         |
| Capital gain tax payable                         | 6,482                      | 20,478        |
| Printing charges payable                         | 7                          | 15            |
| Bank and settlement charges payable              | 65                         | 863           |
|                                                  | <u>10,209</u>              | <u>30,430</u> |

## 14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

|                                                   | 2026                          | 2025               |
|---------------------------------------------------|-------------------------------|--------------------|
|                                                   | ----- (Number of units) ----- |                    |
| <b>15 NUMBER OF UNITS IN ISSUE</b>                |                               |                    |
| Total units in issue at the beginning of the year | 279,452,673                   | 60,964,377         |
| Units issued during the year                      | 181,429,247                   | 2,258,464,476      |
| Less: units redeemed during the year              | (372,964,633)                 | (2,039,976,180)    |
| Total units in issue at the end of the year       | <u>87,917,287</u>             | <u>279,452,673</u> |

|                                                                      | 2026                       | 2025       |
|----------------------------------------------------------------------|----------------------------|------------|
|                                                                      | ----- Rupees in '000 ----- |            |
| <b>16 AUDITORS' REMUNERATION</b>                                     |                            |            |
| Annual audit fee                                                     | 230                        | 196        |
| Fee for half yearly review of condensed interim financial statements | 77                         | 65         |
| Other certifications                                                 | 86                         | 459        |
| Out of pocket expenses and Sindh sales tax                           | 449                        | 117        |
|                                                                      | <u>841</u>                 | <u>837</u> |

## 17 ANNUAL LISTING FEE

This represents listing fee to Pakistan Stock Exchange (PSX) for publishing daily Net Assets Value (NAV) on PSX. The units of the fund are not traded on PSX.

## 18 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and Capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Management intends to distribute such accounting income for the year ending June 30, 2026 to its unit holders. Accordingly, no provision in respect of taxation has been made in the current year.

The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A(i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.



## 19 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the TER limit with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 10.1 to these financial statements.

## 20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

**20.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsor, NAFA Pension Fund, NAFA Provident Fund Trust being associates Management Company and other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding 10% or more units of the fund.

**20.2** The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

**20.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

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

### **NBP Fund Management Limited - the Management Company**

|                                                                                              |        |        |
|----------------------------------------------------------------------------------------------|--------|--------|
| Remuneration of the Management Company                                                       | 22,803 | 52,089 |
| Sindh sales tax on remuneration of the Management Company                                    | 3,420  | 7,813  |
| Reimbursement of allocated expenses                                                          | -      | 1,822  |
| Sindh sales tax on reimbursement of allocated expenses                                       | -      | 273    |
| Reimbursement of selling and marketing expenses                                              | -      | 6,375  |
| Sindh sales tax on reimbursement of selling and marketing expenses                           | -      | 956    |
| Sales load and Sindh sales tax on sales load                                                 | 4,379  | 49,067 |
| Alternate delivery channel charges and Sindh sales tax on Alternate delivery channel charges | 174    | 849    |

### **National Bank of Pakistan\*\*\***

#### **(Parent of the Management Company)**

|                                            |   |   |
|--------------------------------------------|---|---|
| Bank profits earned in the savings account | - | 8 |
|--------------------------------------------|---|---|

### **Central Depository Company of Pakistan Limited - the Trustee**

|                                                                                  |       |       |
|----------------------------------------------------------------------------------|-------|-------|
| Remuneration of the Central Depository Company of Pakistan Limited - the Trustee | 1,063 | 3,553 |
| Sindh sales tax on remuneration of the Trustee                                   | 159   | 533   |
| Settlement charges                                                               | 78    | 65    |

### **Employees of NBP Fund Management Limited**

|                                                          |        |         |
|----------------------------------------------------------|--------|---------|
| Units issued: 2,243,735 units (2025: 48,682,992 units)   | 23,051 | 526,277 |
| Dividend re-invested: Nil (2025: 8,336 units)            | -      | 84      |
| Units redeemed: 3,609,595 units (2025: 47,306,605 units) | 37,346 | 522,255 |



|                                                           | 2026                       | 2025      |
|-----------------------------------------------------------|----------------------------|-----------|
|                                                           | ----- Rupees in '000 ----- |           |
| <b>Gharibwal Cement Limited - more than 10% holding*</b>  |                            |           |
| Units issued: Nil (2025: 59,225,195) units                | -                          | 594,283   |
| <b>CDC Trustee NBP Financial Sector Income Fund</b>       |                            |           |
| Purchase of sukuk certificates                            | -                          | 106,073   |
| <b>CDC Trustee NBP Income Opportunity Fund</b>            |                            |           |
| Purchase of sukuk certificates                            | -                          | 106,073   |
| <b>CDC Trustee NBP Islamic Income Fund</b>                |                            |           |
| Purchase of sukuk certificates                            | -                          | 209,298   |
| <b>CDC Trustee NBP Islamic Mahana Amdani Fund</b>         |                            |           |
| Purchase of sukuk certificates                            | -                          | 270,839   |
| Sale of sukuk certificates                                | 48,215                     | 2,375,606 |
| <b>CDC Trustee NBP Islamic Money Market Fund</b>          |                            |           |
| Sale of sukuk certificates                                | -                          | 491,808   |
| <b>CDC Trustee NBP Islamic Savings Fund</b>               |                            |           |
| Sale of sukuk certificates                                | -                          | 605,132   |
| <b>CDC Trustee NBP Riba Free Savings Fund</b>             |                            |           |
| Sale of sukuk certificates                                | -                          | 510,779   |
| <b>Portfolio managed by Management Company</b>            |                            |           |
| Units issued: 1,076,433 units (2025: 68,933,963 units)    | 10,823                     | 697,851   |
| Dividend re-invested: Nil (2025: 3,291,935 units)         | -                          | 33,017    |
| Units redeemed: 22,189,595 units (2025: 56,763,912 units) | 230,901                    | 614,069   |
| Purchase of sukuk certificates                            | -                          | 20,226    |

|                                                                   | 2026                       | 2025  |
|-------------------------------------------------------------------|----------------------------|-------|
|                                                                   | ----- Rupees in '000 ----- |       |
| <b>Outstanding balances as at year end are as follows</b>         |                            |       |
| <b>NBP Fund Management Limited - the Management Company</b>       |                            |       |
| Remuneration payable to the Management Company                    | 1,112                      | 3,137 |
| Sindh sales tax on remuneration payable to the Management Company | 167                        | 471   |
| Allocated expenses payable                                        | -                          | 1,822 |
| Sindh sales tax on allocated expenses payable                     | -                          | 273   |
| Sales and transfer load payable                                   | 2,030                      | 2,977 |
| Sindh sales tax payable on sales load                             | 304                        | 446   |
| ADC charges payable including Sindh sales tax                     | 190                        | 644   |
| Selling and marketing expenses payable                            | -                          | 1,946 |
| Sindh sales tax on selling and marketing expenses payable         | -                          | 292   |
| Other payable                                                     | 650                        | 650   |



|                                                                                | 2026                       | 2025    |
|--------------------------------------------------------------------------------|----------------------------|---------|
|                                                                                | ----- Rupees in '000 ----- |         |
| <b>National Bank of Pakistan - Parent of the Management Company</b>            |                            |         |
| Bank balance                                                                   | 114                        | 435     |
| <b>Central Depository Company of Pakistan Limited - the Trustee</b>            |                            |         |
| Remuneration payable to the Trustee                                            | 52                         | 146     |
| Sindh sales tax payable on the Trustee remuneration                            | 8                          | 22      |
| Settlement charges payable                                                     | 120                        | 73      |
| Security deposit with Central Depository Company of Pakistan Limited - Trustee | 100                        | 100     |
| <b>Employees of NBP Fund Management Limited</b>                                |                            |         |
| Units held: 47,897 units (2025: 1,414,216 units)                               | 483                        | 14,203  |
| <b>Gharibwal Cement Limited - more than 10% holding*</b>                       |                            |         |
| Units held: Nil units (2025: 59,225,195 units)                                 | -                          | 594,816 |
| <b>Portfolio managed by Management Company</b>                                 |                            |         |
| Units held: 14,598,781 units (2025: 35,711,943 units)                          | 147,368                    | 358,666 |
| <b>Receivable / (Payable) against conversion and redemption of units</b>       |                            |         |
| NBP Islamic Savings Fund**                                                     | (1,501)                    | -       |
| NBP Money Market Fund**                                                        | (1,869)                    | -       |
| NBP Financial Sector Income Plus Fund**                                        | (1,898)                    | -       |
| NBP Financial Sector Income Fund**                                             | (10,666)                   | -       |
| NBP Islamic Money Market Fund**                                                | (238)                      | -       |
| NBP Islamic Daily Dividend Fund**                                              | (813)                      | -       |
| NBP Savings Fund**                                                             | 1,756                      | -       |
| NBP Islamic Income Fund**                                                      | (5,160)                    | -       |
| NBP Government Securities Savings Fund**                                       | (22,120)                   | -       |
| NBP Mahana Amdani Fund**                                                       | (28,297)                   | -       |
| NBP Islamic Mahana Amdani Fund**                                               | (117,515)                  | -       |
| NBP Riba Free Savings Fund**                                                   | (158,974)                  | -       |

\* Current year transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the year.

\*\* Prior year transactions with these parties have not been disclosed as they were not connected persons and related parties during prior years.

\*\*\*Rounding adjustments have resulted in the amount being shown as zero.

## 21 FINANCIAL INSTRUMENTS BY CATEGORY

|                                                                     |             | At amortised cost                   | At fair value through profit or loss | Total            |
|---------------------------------------------------------------------|-------------|-------------------------------------|--------------------------------------|------------------|
| <b>2026</b>                                                         | <b>Note</b> | <b>----- (Rupees in '000) -----</b> |                                      |                  |
| <b>Financial assets</b>                                             |             |                                     |                                      |                  |
| Bank balances                                                       | 5           | 136,668                             | -                                    | 136,668          |
| Investments                                                         | 6           | -                                   | 1,086,126                            | 1,086,126        |
| Receivable against conversion of units                              |             | 1,856                               | -                                    | 1,856            |
| Profit receivable                                                   | 7           | 27,135                              | -                                    | 27,135           |
| Deposit                                                             | 8           | 100                                 | -                                    | 100              |
|                                                                     |             | <u>165,759</u>                      | <u>1,086,126</u>                     | <u>1,251,885</u> |
| <b>Financial liabilities</b>                                        |             |                                     |                                      |                  |
| Payable to NBP Fund Management Limited - Management Company         | 10          | 4,453                               | -                                    | 4,453            |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11          | 180                                 | -                                    | 180              |
| Payable to the Securities and Exchange Commission of Pakistan       | 12          | 71                                  | -                                    | 71               |
| Payable against redemption of units                                 |             | 349,788                             | -                                    | 349,788          |
| Accrued expenses and other liabilities                              | 13          | 1,065                               | -                                    | 1,065            |
| Net assets attributable to unitholders                              |             | <u>887,481</u>                      | <u>-</u>                             | <u>887,481</u>   |
|                                                                     |             | <u>1,243,038</u>                    | <u>-</u>                             | <u>1,243,038</u> |
| <b>2025</b>                                                         | <b>Note</b> | <b>----- (Rupees in '000) -----</b> |                                      |                  |
| <b>Financial assets</b>                                             |             |                                     |                                      |                  |
| Bank balances                                                       |             | 222,781                             | -                                    | 222,781          |
| Investments                                                         |             | -                                   | 1,880,135                            | 1,880,135        |
| Receivable against conversion of units                              |             | 1,005,681                           | -                                    | 1,005,681        |
| Profit receivable                                                   |             | 33,304                              | -                                    | 33,304           |
| Deposits                                                            |             | 100                                 | -                                    | 100              |
|                                                                     |             | <u>1,261,866</u>                    | <u>1,880,135</u>                     | <u>3,142,001</u> |
| <b>Financial liabilities</b>                                        |             |                                     |                                      |                  |
| Payable to NBP Fund Management Limited - Management Company         |             | 12,658                              | -                                    | 12,658           |
| Payable to Central Depository Company of Pakistan Limited - Trustee |             | 241                                 | -                                    | 241              |
| Payable to the Securities and Exchange Commission of Pakistan       |             | 199                                 | -                                    | 199              |
| Payable against redemption of units                                 |             | 292,321                             | -                                    | 292,321          |
| Accrued expenses and other liabilities                              |             | 2,236                               | -                                    | 2,236            |
| Net assets attributable to unitholders                              |             | <u>2,806,622</u>                    | <u>-</u>                             | <u>2,806,622</u> |
|                                                                     |             | <u>3,114,277</u>                    | <u>-</u>                             | <u>3,114,277</u> |



## **22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk.

### **22.1 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 and the regulations laid down by the SECP.

Market risk comprises of three types of risks: profit rate risk, currency risk, and price risk.

#### **22.1.1 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, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistani Rupees.

#### **22.1.2 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

##### **Sensitivity analysis for variable rate instruments**

As at June 30, 2026, the Fund holds balance in savings accounts which is exposed to interest rate risks. In case of 100 basis points increase / decrease in bank profit rates as on June 30, 2026, the net assets of the Fund would have been higher / lower by approximately Rs. 1.36 million. (June 30, 2025: Rs. 2.22 million).

As at June 30, 2026, The Fund holds balance in Sukuks which is exposed to interest rate risks. In case of 100 basis points increase / decrease in KIBOR rates as on June 30, 2026, the net assets of the Fund would have been higher / lower by approximately Rs. 7.84 million. (June 30, 2025: 7.93).

##### **Sensitivity analysis for fixed rate instruments**

As at June 30, 2026, the Fund holds any fixed rate instrument that may expose the Fund to fair value profit rate risk.

Presently, the Fund holds GoP Ijarah sukuk certificates 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. 3.02 million (2025: Rs. 10.87 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.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at year ended can be determined as follows:

| Effective yield /<br>profit rate<br>(%) | Exposed to yield / profit rate risk |                                                    |                       | Not exposed<br>to yield /<br>profit rate<br>risk | Total |
|-----------------------------------------|-------------------------------------|----------------------------------------------------|-----------------------|--------------------------------------------------|-------|
|                                         | Up to three<br>months               | More than<br>three months<br>and up to one<br>year | More than<br>one year |                                                  |       |

(Rupees in '000)

2026

## Financial assets

|                                        |            |         |        |         |         |           |
|----------------------------------------|------------|---------|--------|---------|---------|-----------|
| Bank balances                          | 0.1-16     | 135,993 | -      | -       | 675     | 136,668   |
| Investments                            | 9.68-18.49 | -       | 26,181 | 757,650 | 302,295 | 1,086,126 |
| Receivable against conversion of units |            | -       | -      | -       | 1,856   | 1,856     |
| Profit receivable                      |            | -       | -      | -       | 27,135  | 27,135    |
| Deposit                                |            | -       | -      | -       | 100     | 100       |
|                                        |            | 135,993 | 26,181 | 757,650 | 332,061 | 1,251,885 |

## Financial liabilities

|                                                                        |  |   |   |   |           |           |
|------------------------------------------------------------------------|--|---|---|---|-----------|-----------|
| Payable to NBP Fund Management Limited<br>Management Company           |  | - | - | - | 4,453     | 4,453     |
| Payable to Central Depository Company of<br>Pakistan Limited - Trustee |  | - | - | - | 180       | 180       |
| Payable to the Securities and Exchange<br>Commission of Pakistan       |  | - | - | - | 71        | 71        |
| Payable against redemption of units                                    |  | - | - | - | 349,788   | 349,788   |
| Accrued expenses and other liabilities                                 |  | - | - | - | 1,065     | 1,065     |
| Net assets attributable to unitholders                                 |  | - | - | - | 887,481   | 887,481   |
|                                                                        |  | - | - | - | 1,243,038 | 1,243,038 |

|                                          |         |         |         |           |       |
|------------------------------------------|---------|---------|---------|-----------|-------|
| On-balance sheet gap (a)                 | 135,993 | 26,181  | 757,650 | (910,977) | 8,847 |
| Off-balance sheet financial instruments  | -       | -       | -       | -         | -     |
| Off-balance sheet gap (b)                | -       | -       | -       | -         | -     |
| Total profit rate sensitivity gap (a +b) | 135,993 | 26,181  | 757,650 |           |       |
| Cumulative profit rate sensitivity gap   | 135,993 | 162,174 | 919,824 |           |       |



2025

(Rupees in '000)

## Financial assets

|                                        |             |         |   |         |           |           |
|----------------------------------------|-------------|---------|---|---------|-----------|-----------|
| Bank balances                          | 0.1-10.4    | 221,995 | - | -       | 786       | 222,781   |
| Investments                            | 10.42-17.23 | -       | - | 793,453 | 1,086,681 | 1,880,135 |
| Receivable against conversion of units |             | -       | - | -       | 1,005,681 | 1,005,681 |
| Profit receivable                      |             | -       | - | -       | 33,304    | 33,304    |
| Deposits                               |             | -       | - | -       | 100       | 100       |
|                                        |             | 221,995 | - | 793,453 | 2,126,552 | 3,142,001 |

## Financial liabilities

|                                                                        |   |   |   |           |           |
|------------------------------------------------------------------------|---|---|---|-----------|-----------|
| Payable to NBP Fund Management Limited<br>Management Company           | - | - | - | 12,658    | 12,658    |
| Payable to Central Depository Company of<br>Pakistan Limited - Trustee | - | - | - | 241       | 241       |
| Payable to the Securities and Exchange<br>Commission of Pakistan       | - | - | - | 199       | 199       |
| Payable against redemption of units                                    | - | - | - | 292,321   | 292,321   |
| Accrued expenses and other liabilities                                 | - | - | - | 2,236     | 2,236     |
| Net assets attributable to unitholders                                 | - | - | - | 2,806,622 | 2,806,622 |
|                                                                        | - | - | - | 3,114,277 | 3,114,277 |

## On-balance sheet gap (a)

|         |   |         |           |        |
|---------|---|---------|-----------|--------|
| 221,995 | - | 793,453 | (987,724) | 27,724 |
|---------|---|---------|-----------|--------|

## Off-balance sheet financial instruments

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

## Off-balance sheet gap (b)

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

## Total profit rate sensitivity gap (a +b)

|         |   |         |
|---------|---|---------|
| 221,995 | - | 793,453 |
|---------|---|---------|

## Cumulative profit rate sensitivity gap

|         |         |           |
|---------|---------|-----------|
| 221,995 | 221,995 | 1,015,448 |
|---------|---------|-----------|

## 22.1.3 Price risk

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

## 22.2 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 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 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 subject to the maximum limit which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund 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.

The table summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining year at the end of the reporting year to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

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

2026

(Rupees in '000)

#### Financial liabilities

Payable to NBP Fund Management Limited Management Company  
Payable to Central Depository Company of Pakistan Limited - Trustee  
Payable to the Securities and Exchange Commission of Pakistan  
Payable against redemption of units  
Accrued expenses and other liabilities  
Net assets attributable to unitholders

|                  |            |          |          |          |          |                  |
|------------------|------------|----------|----------|----------|----------|------------------|
| 4,453            | -          | -        | -        | -        | -        | 4,453            |
| 180              | -          | -        | -        | -        | -        | 180              |
| 71               | -          | -        | -        | -        | -        | 71               |
| 349,788          | -          | -        | -        | -        | -        | 349,788          |
| 258              | 807        | -        | -        | -        | -        | 1,065            |
| 887,481          | -          | -        | -        | -        | -        | 887,481          |
| <b>1,242,231</b> | <b>807</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>1,243,038</b> |

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

2025

(Rupees in '000)

#### Financial liabilities

Payable to NBP Fund Management Limited Management Company  
Payable to Central Depository Company of Pakistan Limited - Trustee  
Payable to the Securities and Exchange Commission of Pakistan  
Payable against redemption of units  
Accrued expenses and other liabilities  
Net assets attributable to unitholders

|                  |            |          |          |          |          |                  |
|------------------|------------|----------|----------|----------|----------|------------------|
| 12,658           | -          | -        | -        | -        | -        | 12,658           |
| 241              | -          | -        | -        | -        | -        | 241              |
| 199              | -          | -        | -        | -        | -        | 199              |
| 292,321          | -          | -        | -        | -        | -        | 292,321          |
| 1,659            | 577        | -        | -        | -        | -        | 2,236            |
| 2,806,622        | -          | -        | -        | -        | -        | 2,806,622        |
| <b>3,113,700</b> | <b>577</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>3,114,277</b> |

## 22.3 Credit risk

**22.3.1** 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 Fund's maximum exposure to credit risk related to receivables at June 30, 2026 is the carrying amounts of following financial assets.

|                                        | 2026                                               |                                 | 2025                                               |                                 |
|----------------------------------------|----------------------------------------------------|---------------------------------|----------------------------------------------------|---------------------------------|
|                                        | Balance as per Statement of assets and liabilities | Maximum exposure to credit risk | Balance as per Statement of assets and liabilities | Maximum exposure to credit risk |
| <b>Financial assets</b>                |                                                    |                                 |                                                    |                                 |
| <b>----- (Rupees in '000) -----</b>    |                                                    |                                 |                                                    |                                 |
| Bank balances                          | 136,668                                            | 136,668                         | 222,781                                            | 222,781                         |
| Investments                            | 1,086,126                                          | -                               | 1,880,135                                          | -                               |
| Profit receivable                      | 27,135                                             | 25,818                          | 33,304                                             | 6,574                           |
| Deposits                               | 100                                                | 100                             | 100                                                | 100                             |
| Receivable against conversion of units | 1,856                                              | 1,856                           | 1,005,681                                          | 1,005,681                       |
|                                        | <b>1,251,885</b>                                   | <b>164,442</b>                  | <b>3,142,001</b>                                   | <b>1,235,136</b>                |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. Investment in government securities and its accrued profit, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

### 22.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit receivable thereon. The credit rating profile of banks are as follows:

| Rating               | % of financial assets exposed to credit risk |                |
|----------------------|----------------------------------------------|----------------|
|                      | 2026                                         | 2025           |
| <b>Bank balances</b> |                                              |                |
| AAA                  | 0.08%                                        | 0.67%          |
| AA                   | 66.60%                                       | 26.17%         |
| AA-                  | 33.32%                                       | 73.16%         |
|                      | <b>100.00%</b>                               | <b>100.00%</b> |

### 22.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

The Fund's portfolio of financial instruments is mostly concentrated in government sector and deposits held with commercial banks.

## 23 FAIR VALUE MEASUREMENT

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.

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.

### 23.1 Fair value hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

As at June 30, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair value:

|                                                                      | FVTPL                     | AC        | TOTAL     | Level 1   | Level 2 | Level 3 |
|----------------------------------------------------------------------|---------------------------|-----------|-----------|-----------|---------|---------|
| June 30, 2026                                                        | ----- Rupees in 000 ----- |           |           |           |         |         |
| <b>Financial Assets Measured at Fair Value</b>                       |                           |           |           |           |         |         |
| -GoP Ijarah Sukuks Certificates                                      | 1,086,126                 | -         | 1,086,126 | 1,086,126 | -       | -       |
|                                                                      | 1,086,126                 | -         | 1,086,126 | 1,086,126 | -       | -       |
| <b>Financial Assets not measured at Fair Value</b>                   |                           |           |           |           |         |         |
| -Bank balances                                                       | -                         | 136,668   | 136,668   | -         | -       | -       |
| -Receivable against conversion of units                              | -                         | 1,856     | 1,856     | -         | -       | -       |
| -Profit receivable                                                   | -                         | 27,135    | 27,135    | -         | -       | -       |
| -Deposit and prepayments                                             | -                         | 206       | 206       | -         | -       | -       |
| -Preliminary expenses and floatation costs                           | -                         | 191       | 191       | -         | -       | -       |
|                                                                      | -                         | 166,056   | 166,056   | -         | -       | -       |
| <b>Financial Liabilities not measured at Fair Value</b>              |                           |           |           |           |         |         |
| -Payable to NBP Fund Management Limited - Management Company         | -                         | 4,453     | 4,453     | -         | -       | -       |
| -Payable to Central Depository Company of Pakistan Limited - Trustee | -                         | 180       | 180       | -         | -       | -       |
| -Payable to the Securities and Exchange Commission of Pakistan       | -                         | 71        | 71        | -         | -       | -       |
| -Payable against redemption of units                                 | -                         | 349,788   | 349,788   | -         | -       | -       |
| -Accrued expenses and other liabilities                              | -                         | 10,209    | 10,209    | -         | -       | -       |
| Net assets attributable to unitholders                               | -                         | 887,481   | 887,481   | -         | -       | -       |
|                                                                      | -                         | 1,252,182 | 1,252,182 | -         | -       | -       |



June 30, 2025

Financial Assets Measured at Fair Value  
-GoP ijarah sukuks certificates

| FVTPL                      | AC | TOTAL     | Level 1   | Level 2 | Level 3 |
|----------------------------|----|-----------|-----------|---------|---------|
| ----- Rupees in '000 ----- |    |           |           |         |         |
| 1,880,135                  | -  | 1,880,135 | 1,880,135 | -       | -       |
| 1,880,135                  | -  | 1,880,135 | 1,880,135 | -       | -       |

Financial Assets not measured at Fair Value

-Bank balances  
-Receivable against conversion of units  
-Profit receivable  
-Deposit and prepayments  
-Preliminary expenses and floatation costs

|   |           |           |   |   |   |
|---|-----------|-----------|---|---|---|
| - | 222,781   | 222,781   | - | - | - |
| - | 1,005,681 | 1,005,681 | - | - | - |
| - | 33,304    | 33,304    | - | - | - |
| - | 196       | 196       | - | - | - |
| - | 374       | 374       | - | - | - |
| - | 1,262,336 | 1,262,336 | - | - | - |

Financial Liabilities not measured at Fair Value

-Payable to NBP Fund Management Limited - the Management Company  
-Payable to Central Depository Company of Pakistan Limited - the Trustee  
-Payable to the Securities and Exchange Commission of Pakistan  
-Payable against redemption of units  
-Accrued expenses and other liabilities  
Net assets attributable to unitholders

|   |           |           |   |   |   |
|---|-----------|-----------|---|---|---|
| - | 12,658    | 12,658    | - | - | - |
| - | 241       | 241       | - | - | - |
| - | 199       | 199       | - | - | - |
| - | 292,321   | 292,321   | - | - | - |
| - | 30,430    | 30,430    | - | - | - |
| - | 2,806,622 | 2,806,622 | - | - | - |
| - | 3,142,471 | 3,142,471 | - | - | - |

## 24 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restrictions on the issuance and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (ie, net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintain and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

## 25 UNIT HOLDING PATTERN OF THE FUND

| Category                     | 2026                   |                   |                                | 2025                   |                   |                                |
|------------------------------|------------------------|-------------------|--------------------------------|------------------------|-------------------|--------------------------------|
|                              | Number of unit holders | Investment amount | Percentage of total net assets | Number of unit holders | Investment amount | Percentage of total net assets |
| ----- (Rupees in '000) ----- |                        |                   |                                |                        |                   |                                |
| Individuals                  | 836                    | 238,361           | 26.86%                         | 920                    | 1,185,777         | 42.25%                         |
| Retirement funds             | 25                     | 514,489           | 57.97%                         | 34                     | 870,627           | 31.02%                         |
| Public Limited Company       | 6                      | 20,033            | 2.26%                          | 1                      | 594,815           | 21.19%                         |
| Others                       | 2                      | 114,594           | 12.91%                         | 9                      | 155,403           | 5.54%                          |
|                              | 869                    | 887,477           | 100.00%                        | 964                    | 2,806,622         | 100.00%                        |

## 26 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

| Name of broker                       | 2026                          | 2025                          |
|--------------------------------------|-------------------------------|-------------------------------|
|                                      | Percentage of commission paid | Percentage of commission paid |
| J.S. Global Capital Limited          | 51.17%                        | 38.68%                        |
| Continental Exchange Private Limited | -                             | 26.04%                        |
| AKD Securities Limited               | 48.83%                        | 11.29%                        |
| C & M Management Private Limited     | -                             | 10.69%                        |
| Invest One Markets Limited           | -                             | 8.57%                         |
| Paramount Capital Private Ltd        | -                             | 4.73%                         |
|                                      | <b>100.00%</b>                | <b>100.00%</b>                |

26.1 The Fund has traded with only the mentioned brokers / dealers during the year ended June 30, 2026.

## 27 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGERS

Details of members of the investment committee of the fund are as follows:

| S. No. | Name                | Qualification                                   | Overall experience in years |
|--------|---------------------|-------------------------------------------------|-----------------------------|
| 1.     | Dr. Amjad Waheed    | Doctorate in Business Administration, MBA & CFA | 38                          |
| 2.     | Mr. Asim Wahab Khan | CFA                                             | 20                          |
| 3.     | Mr. Muhammad Waseem | CFA                                             | 11                          |
| 4.     | Mr. Salman Ahmed    | CFA                                             | 21                          |
| 5.     | Mr. Usama bin Razi  | BE / MBA                                        | 22                          |

27.1 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 Mahana Amdani Fund                |
| - NBP Riba Free Savings Fund             | NBP Financial Sector Income Fund      |
| - NBP Islamic Mahana Amdani Fund         | NBP Income Opportunity Fund           |
| - NBP Islamic Savings Fund               | NBP Savings Fund                      |
| - NBP Islamic Income Fund                | NBP Mustahkam Fund                    |
| - NBP Islamic Money Market Fund          | NBP Income Fund Of Fund               |
| - NBP Islamic Mustahkam Fund             | NBP Government Securities Fund - I    |
| - NBP Government Securities Liquid Fund  | NBP Mustahkam Fund - II               |
| - NBP Money Market Fund                  | NBP Money Market Liquid Fund          |
| - NBP Government Securities Savings Fund | NBP Financial Sector Income Plus Fund |

## 28 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        | -             | -                     |
| ***Faisal Ahmed                   | 5                  | 5        | -             | -                     |
| Mehnaz Salar                      | 6                  | 6        | -             | -                     |
| Ali Saigol                        | 6                  | 5        | 1             | 106th Meeting         |
| Imran Zaffar                      | 6                  | 6        | -             | -                     |
| *Khalid Mansoor                   | 3                  | 3        | -             | -                     |
| *Saad Amanullah Khan              | 3                  | 3        | -             | -                     |
| Umar Ahsan Khan                   | 6                  | 6        | -             | -                     |
| **Tahir Jawaid                    | 3                  | 3        | -             | -                     |
| **Saad Muzaffar Waraich           | 3                  | 2        | 1             | 111th Meeting         |
| ****Syed Mujtaba Abbas            | -                  | -        | -             | -                     |
| Amjad Waheed                      | 6                  | 6        | -             | -                     |

\* 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

## 29 SUBSEQUENT EVENT

No adjusting or non-adjusting events have occurred between the reporting date and the date of authorization.

## 30 GENERAL

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

## 31 DATE OF AUTHORISATION FOR ISSUE

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## PERFORMANCE TABLE

| Particulars                                            | For the Year<br>ended June 30,<br>2026 | For the Year<br>ended June 30,<br>2025 | For the period from<br>January 19, 2024<br>to June 30, 2024 |
|--------------------------------------------------------|----------------------------------------|----------------------------------------|-------------------------------------------------------------|
| Net assets (Rs. '000')                                 | 887,481                                | 2,806,622                              | 611,293                                                     |
| Net Income (Rs. '000')                                 | 151,345                                | 773,588                                | 48,510                                                      |
| Net Asset Value per units (Rs.)                        | 10.0945                                | 10.0433                                | 10.0271                                                     |
| Offer price per unit                                   | 10.4428                                | 10.3898                                | 10.3670                                                     |
| Redemption price per unit                              | 10.0945                                | 10.0433                                | 10.0271                                                     |
| Ex - Highest offer price per unit (Rs.)                | 11.1802                                | 10.3898                                | 10.3670                                                     |
| Ex - Lowest offer price per unit (Rs.)                 | 10.3919                                | 9.0462                                 | 9.1725                                                      |
| Ex - Highest redemption price per unit (Rs.)           | 10.8073                                | 10.0433                                | 10.0271                                                     |
| Ex - Lowest redemption price per unit (Rs.)            | 10.0453                                | 8.7445                                 | 9.1725                                                      |
| Fiscal Year Opening Ex Nav                             | 10.0433                                | 8.7398                                 | 9.1725                                                      |
| Total return of the fund                               | 8.16%                                  | 14.91%                                 | 20.86%                                                      |
| Capital growth                                         | 0.55%                                  | 0.19%                                  | 11.93%                                                      |
| Income distribution as a % of ex nav                   | 7.61%                                  | 14.73%                                 | 8.93%                                                       |
| Income distribution as a % of par value                | 7.64%                                  | 14.77%                                 | 8.93%                                                       |
| Distribution dates                                     |                                        |                                        |                                                             |
| 22 Jun-2026                                            | 0.764                                  |                                        |                                                             |
| 24 Jun-2025                                            |                                        | 1.4769                                 |                                                             |
| 07 Feb-2024                                            |                                        | -                                      | 0.1178                                                      |
| 27 Jun-2024                                            |                                        | -                                      | 0.7752                                                      |
| <b>Average annual return (launch date 19-01-2024)</b>  |                                        |                                        |                                                             |
| (Since inception to June 30, 2026)                     | 13.35%                                 |                                        |                                                             |
| (Since inception to June 30, 2025)                     |                                        | 17.08%                                 |                                                             |
| (Since inception to June 30, 2024)                     |                                        |                                        | 20.86%                                                      |
| Portfolio Composition (Please see Fund Manager Report) |                                        |                                        |                                                             |
| Weighted average portfolio duration                    |                                        | 113 Days                               | 131 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

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