



Islamic Savings

اسلامک سیونرز

NBP Fund Management Limited



NBP ISLAMIC SARMAYA IZAF FUND

ANNUAL REPORT
JUNE 30, 2026

AM1
Rated by PACRA



MISSION STATEMENT

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



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Syed Mujtaba Abbas	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Umar Ahsan Khan	Director
Mr. Tahir Jawaid	Director
Mr. Saad Muzaffar Waraich	Director

Chief Financial Officer & Company Secretary

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Umar Ahsan Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Muzaffar Waraich	Member

Human Resource & Remuneration Committee

Mr. Tahir Jawaid	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Syed Mujtaba Abbas	Member
Mr. Ali Saigol	Member
Mr. Umar Ahsan Khan	Member

Business Strategy & IT Committee

Mr. Saad Muzaffar Waraich	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Syed Mujtaba Abbas	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Tahir Jawaid	Member

Trustee

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

Bankers to the Fund

Habib Bank Limited (Islamic)	Habib Metro Bank Limited (Islamic)
United Bank Limited (Ameen)	Allied Bank Limited (Islamic)
Bank Al Habib Limited (Islamic)	Silk Bank Limited (Emaan)
Meezan Bank Limited	National Bank of Pakistan
Bank Islami (Pakistan) Limited	Al Baraka Bank Pakistan Limited
MCB Bank Limited (Islamic)	
Dubai Islamic Bank Limited	
Bank Alfalah Limited (Islamic)	
Soneri Bank Limited (Mustaqeem)	



Auditors

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

Shariah Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8
KCHSU, Sharae 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 4, 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

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
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



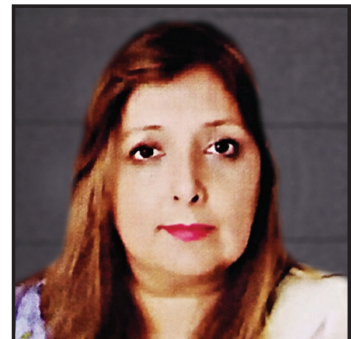
Mr. Imran Zaffar
Director



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 Nineteenth Annual Report of **NBP Islamic Sarmaya Izafa Fund (NISIF)** for the year ended June 30, 2026.

Fund's Performance

The equity market delivered a strong performance during FY26, with the KMI-30 Index rising 39.2%. This follows gains of 46% in FY25 and 79% in FY24, taking the cumulative three-year return to 264%. The market remained resilient despite heightened volatility during the latter part of the year, as escalating tensions between the US and Iran, disruption to shipping through the Strait of Hormuz, and a sharp rise in global crude oil prices increased geopolitical and macroeconomic risks. The strong market performance was underpinned by continued macroeconomic stabilization, progress under the IMF program, improving economic activity, and strengthening investor confidence.

Economic recovery gained further momentum during FY26, with real GDP growth accelerating to 3.7%, the highest in four years, compared with 3.2% in FY25. Inflationary pressures, however, resurfaced during the year, with average CPI inflation rising to 7.1% from 4.6% in FY25. The increase was largely attributable to a low base effect and higher international energy prices following the escalation of the US-Iran conflict. In response, the central bank raised the policy rate by 100 bps to 11.5% in April-26 to contain inflationary pressures and anchor inflation expectations. Despite significant external debt repayments, and the sharp increase in global oil prices, the country's external position remained resilient. The current account recorded a modest deficit of USD 139 million in FY26, compared with a surplus of USD 1.8 billion in FY25, with higher imports and lower exports largely offset by record workers' remittances of USD 41.6 billion. External liquidity was further supported by fresh inflows, including USD 3.0 billion in Saudi deposits, Eurobond proceeds, and the country's inaugural Panda Bond. The Central Bank also purchased USD 6.5 billion from the foreign exchange market during 9MFY26, enabling foreign exchange reserves to exceed the June 2026 target of USD 18.0 billion. Reflecting the improvement in macroeconomic stability and progress on structural reforms, S&P Global upgraded Pakistan's long-term sovereign credit rating to 'B' from 'B-'.

Geopolitical developments became a key source of market volatility during the latter part of the year. The US-Iran conflict and the resulting disruption to the Strait of Hormuz led to a substantial increase in crude oil prices and heightened concerns over global energy security. Against this backdrop, Pakistan played a constructive diplomatic role in facilitating dialogue between the US and Iran, and supporting efforts towards a ceasefire. Looking ahead, the outlook for FY27 remains constructive, although geopolitical developments and global economic conditions are likely to remain important sources of near-term volatility. Improving macroeconomic stability, stronger external buffers, continued fiscal discipline, expectations of easing of interest rates, and improving corporate profitability should provide a supportive backdrop for equities.

In terms of sector-wise performance, Automobile Parts & Accessories, Commercial Banks, Fertilizer, Investment Banks/Companies, Leather & Tanneries, Power Generation & Distribution, Technology & Communication, and Transport sectors outperformed the market. Conversely, Auto Assemblers, Cable & Electrical Goods, Cement, Chemical, Engineering, Food & Personal Care, Glass & Ceramics, Insurance, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing Companies, Pharmaceuticals, Refinery, Sugar, Textile Composite, and Tobacco sectors lagged behind.

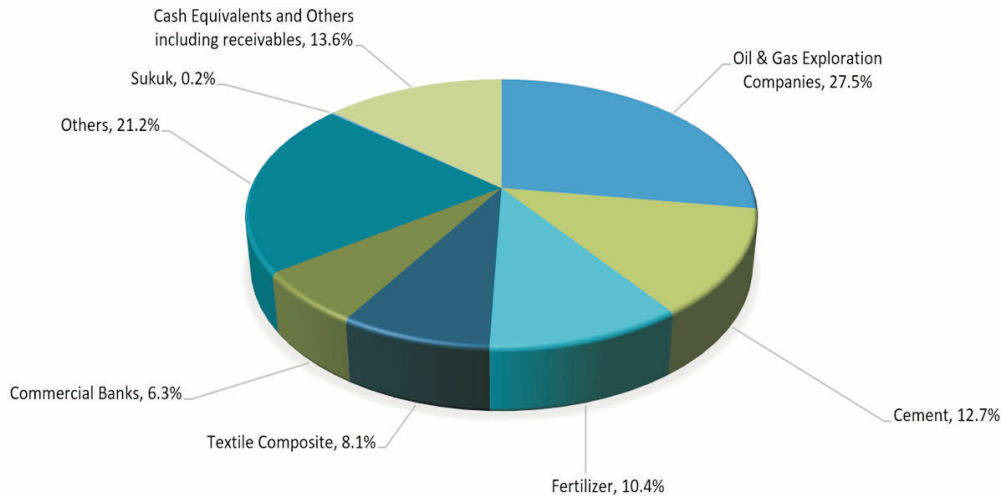
Regarding participants' activity, Companies, Mutual Funds, and Individuals emerged as the largest net buyers, with inflows of USD 585 million, USD 401 million, and USD 328 million, respectively. In contrast, Insurance companies and Banks/DFIs reduced their net holdings by USD 241 million and USD 172 million, respectively.

Short-term corporate Sukuk activity maintained robust momentum, with fresh issuance of around Rs. 175 billion, reflecting continued confidence in high-quality Islamic financing. Investor appetite also remained strong for 1-year Government Debt Securities (GDS), with Rs. 826 billion realized during the period against a target of Rs. 1,385 billion. Cut-offs ranged from 9.5% to 12.9%, highlighting continued demand for liquidity-sensitive structures.

During the fiscal year, NBP Islamic Sarmaya Izafa Fund (NISIF) Fund increased by 36.3% versus 35.2% increase in the benchmark. Thus, the Fund outperformed the benchmark by 1.1% during the year. Since its launch (October 26, 2007), the Fund has risen by 1,389.9%, versus the benchmark return of 866.9%, thus to date outperformance is 523.0%. This outperformance is net of management fee and all other expenses. The Fund size is Rs 2,277 mln as of June 30, 2026.

NBP Islamic Sarmaya Izafa Fund has earned total income of Rs. 650.92 million during the year. After deducting total expenses of Rs. 77.50 million, the net income is Rs. 573.42 million. During the year, the unit price of NBP Islamic Sarmaya Izafa Fund has increased from Rs. 26.9458 (Ex-Div) on June 30, 2025 to Rs. 36.7381 on June 30, 2026. The resultant per unit gain is Rs.9.7923 i.e.36.3%.

The asset allocation of NBP Islamic Sarmaya Izafa Fund as on June 30, 2026, is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 4.32% of the opening ex-NAV (12.02 % of the par value) during the year ended June 30, 2026.

Taxation

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

Auditors

The present auditors, Messrs Yousuf Adil Chartered Accountants, 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 27 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 26 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2026, the Board included:

Category	Names
Independent Directors	1. Mr. Tahir Jawaid 2. Mr. Saad Muzaffar Waraich 3. Mr. Umar Ahsan Khan
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Syed Mujtaba Abbas 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: September 04, 2026
 Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP اسلامک سرمایہ اضافہ فنڈ (NISIF) کی اٹھارہویں سالانہ رپورٹ برائے ختمہ سال 30 جون 2026 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

مالی سال 26 کے دوران ایکویٹی مارکیٹ نے شاندار کارکردگی کا مظاہرہ کیا، جس کے نتیجے میں KMI-30 انڈیکس میں 39.2 فیصد اضافہ ہوا۔ اس سے قبل مالی سال 25 میں 46 فیصد اور مالی سال 24 میں 79 فیصد اضافہ ریکارڈ کیا گیا تھا، جس کے باعث تین سال کے دوران مجموعی ریٹرن 264 فیصد تک پہنچ گیا۔ سال کے آخری حصہ میں بڑھتے ہوئے اتار چڑھاؤ کے باوجود مارکیٹ نے مضبوط مزاحمت کا مظاہرہ کیا، کیونکہ امریکہ اور ایران کے درمیان بڑھتی ہوئی کشیدگی، آبنائے ہرمز کے ذریعے بحری تجارت میں خلل اور عالمی سطح پر خام تیل کی قیمتوں میں نمایاں اضافے نے جغرافیائی سیاسی اور معاشی خطرات میں اضافہ کیا۔ مارکیٹ کی مضبوط کارکردگی کو مسلسل معاشی استحکام، آئی ایم ایف پروگرام میں پیش رفت، معاشی سرگرمیوں میں بہتری اور سرمایہ کاروں کے اعتماد میں اضافے سے تقویت ملی۔

مالی سال 26 کے دوران معاشی بحالی میں مزید تیزی آئی اور حقیقی مجموعی ملکی پیداوار (GDP) کی شرح نمو بڑھ کر 3.7 فیصد ہو گئی، جو گزشتہ چار سال کی بلند ترین شرح ہے، جبکہ مالی سال 25 میں یہ 3.2 فیصد تھی۔ تاہم، سال کے دوران مہنگائی کے دباؤ میں دوبارہ اضافہ ہوا اور اوسط صارف قیمت اشاریہ (CPI) افراط زر مالی سال 25 کے 4.6 فیصد کے مقابلے میں بڑھ کر 7.1 فیصد ہو گئی۔ اس اضافے کی بڑی وجوہات میں کم بنیادی سطح اور امریکہ۔ ایران تنازع میں شدت کے بعد بین الاقوامی توانائی کی قیمتوں میں اضافہ شامل تھا۔ اس صورتحال کے پیش نظر مرکزی بینک نے مہنگائی کے دباؤ کو قابو میں رکھنے اور مہنگائی کی توقعات کو مستحکم رکھنے کے لیے اپریل 2026 میں پالیسی ریٹ میں 100 بیس پوائنٹس کا اضافہ کرتے ہوئے اسے 11.5 فیصد کر دیا۔ بیرونی قرضوں کی نمایاں ادائیگیوں اور عالمی سطح پر تیل کی قیمتوں میں شدید اضافے کے باوجود ملک کی بیرونی پوزیشن مضبوط رہی۔ مالی سال 26 میں کرنٹ اکاؤنٹ میں 139 ملین امریکی ڈالر کا معمولی خسارہ ریکارڈ ہوا، جبکہ مالی سال 25 میں 1.8 بلین امریکی ڈالر کا سرپلس تھا۔ درآمدات میں اضافے اور برآمدات میں کمی کے اثرات کو ریکارڈ 41.6 بلین امریکی ڈالر کی ترسیلات زر نے بڑی حد تک متوازن رکھا۔ بیرونی لیکویڈیٹی کو سعودی عرب کے 3.0 بلین امریکی ڈالر کے ڈپازٹس، یورو بانڈ سے حاصل ہونے والی رقم اور ملک کے پہلے پانڈا بانڈ سمیت نئی آمدنیوں سے مزید تقویت ملی۔ مرکزی بینک نے مالی سال 26 کے پہلے نو ماہ کے دوران زرمبادلہ کی مارکیٹ سے 6.5 بلین امریکی ڈالر خریدے، جس کے نتیجے میں زرمبادلہ کے ذخائر جون 2026 کے لیے مقرر کردہ 18.0 بلین امریکی ڈالر کے ہدف سے تجاوز کر گئے۔ معاشی استحکام میں بہتری اور ساختی اصلاحات میں پیش رفت کو مد نظر رکھتے ہوئے S&P Global نے پاکستان کی طویل مدتی سوئچنگ کرڈٹ ریٹنگ کو 'B-' سے بڑھا کر 'B' کر دیا۔

سال کے آخری حصہ میں جغرافیائی سیاسی پیش رفت مارکیٹ میں اتار چڑھاؤ کا ایک اہم سبب بن گئی۔ امریکہ۔ ایران تنازع اور اس کے نتیجے میں آبنائے ہرمز کے ذریعے بحری آمدورفت میں خلل نے خام تیل کی قیمتوں میں نمایاں اضافہ کیا اور عالمی توانائی کے تحفظ سے متعلق خدشات کو بڑھا دیا۔ اس صورتحال میں پاکستان نے امریکہ اور ایران کے درمیان مذاکرات کو آگے بڑھانے اور جنگ بندی کی کوششوں میں معاونت کے لیے تعمیری سفارتی کردار ادا کیا۔ مستقبل کے حوالے سے مالی سال 27 کا منظر نامہ مجموعی طور پر حوصلہ افزا ہے، تاہم جغرافیائی سیاسی حالات اور عالمی معاشی صورتحال قلیل مدت میں اتار چڑھاؤ کے اہم عوامل رہنے کا امکان ہے۔ معاشی استحکام میں بہتری، مضبوط بیرونی مالیاتی ڈھانچہ، مسلسل مالیاتی نظم و ضبط، شرح سود میں کمی کی توقعات اور کارپوریٹ منافع میں بہتری ایکویٹی مارکیٹ کے لیے معاون ماحول فراہم کرنے کی توقع ہے۔

شعبہ دارکارکردگی کے لحاظ سے آٹوموبائل پارٹس اینڈ ایکسیسریز، کمرشل بینکس، فریٹ لائزر، انویسٹمنٹ بینکس/کمپنیاں، لیڈر اینڈ ٹینیز، پاور جنریشن اینڈ ڈسٹری بیوٹن، ٹیکنالوجی اینڈ کمیونیکیشن اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی دکھائی۔ اس کے برعکس آٹوموبائل، کیبل اینڈ الیکٹریکل گڈز، سینٹ، کیمیکل، انجینئرنگ، فوڈ اینڈ پرنٹل کیئر، گلاس اینڈ سیرامکس، انشورنس، متفرق، آئل اینڈ گیس ایکسپلوریشن، آئل اینڈ گیس مارکیٹنگ کمپنیوں، فارما سیویٹلز، ریفرنسری، شوگر، ٹیکسٹائل کمپوزٹ اور تمباکو کے شعبوں نے مارکیٹ سے اتر کارکردگی کا مظاہرہ کیا۔

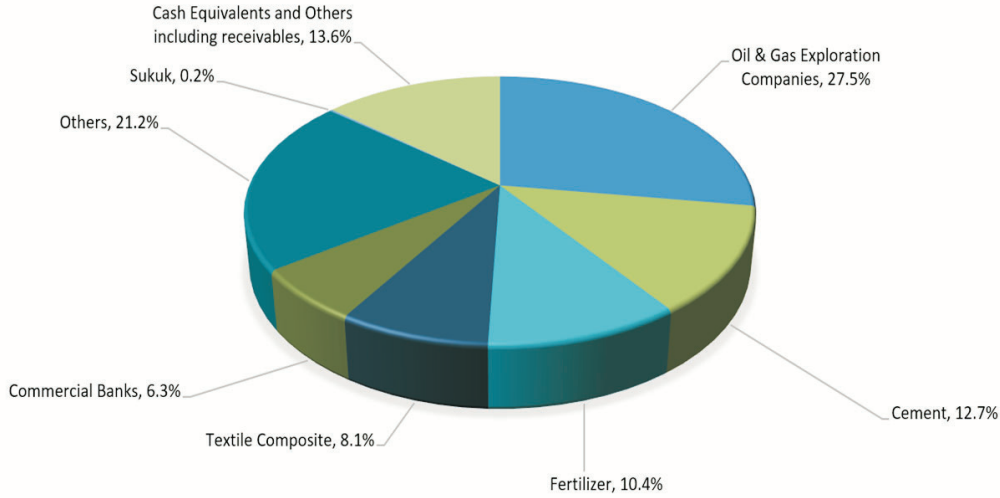
سرمایہ کاروں کی سرگرمی کے حوالے سے کمپنیاں، میڈیٹل فنڈز اور انفرادی سرمایہ کار سب سے بڑے خالص خریدار رہے، جن کی بالترتیب 585 ملین، 401 ملین اور 328 ملین امریکی ڈالر کی خالص سرمایہ کاری رہی۔ اس کے برعکس انشورنس کمپنیوں اور بینکس/DFIs سال کے دوران اپنی خالص ہولڈنگز میں بالترتیب 241 ملین اور 172 ملین امریکی ڈالر کی کمی کی۔

مختصر مدتی کارپوریٹ سکوک کی سرگرمی بھی مضبوط رہی اور تقریباً 175 ملین روپے کے نئے سکوک جاری کیے گئے، جو معیاری اسلامک فنانسنگ پر مسلسل اعتماد کی عکاسی کرتا ہے۔ ایک سالہ GDS میں بھی سرمایہ کاروں کی دلچسپی مضبوط رہی، جس کے تحت ہدف 1,385 ملین روپے کے مقابلے میں 826 ملین روپے حاصل کیے گئے۔ کٹ آف ریٹس 9.5 فیصد سے 12.9 فیصد کے درمیان رہے، جو لیکویڈیٹی سے حساس مالیاتی ڈھانچوں میں سرمایہ کاروں کی مسلسل طلب کو ظاہر کرتے ہیں۔

مالی سال کے دوران، NBP اسلامک سرمایہ اضافہ فنڈ کے بیچ مارک منافع میں 35.2% اضافہ کے مقابلے میں 36.3% اضافہ ہوا، لہذا سال کے دوران بیچ مارک 1.1% کی بہترین کارکردگی دکھائی۔ اپنے آغاز (26 اکتوبر 2007) سے، فنڈ نے 866.9 فیصد بیچ مارک ریٹرن کے مقابلے میں 1,389.9 فیصد کا اضافہ حاصل کیا، چنانچہ آج تک بہتر کارکردگی 523.0 فیصد ہے۔ یہ بہتر کارکردگی انتظامی فیس اور دیگر تمام اخراجات منہا کرنے کے بعد خالص ہے۔ فنڈ کا سائز 30 جون 2026 کو 2,277 ملین روپے ہے۔

NBP اسلامک سرمایہ اضافہ فنڈ کو سال کے دوران 650.92 ملین روپے کی مجموعی آمدنی ہوئی۔ 77.50 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد، خالص آمدنی 573.42 ملین روپے ہے۔ سال کے دوران NBP اسلامک سرمایہ اضافہ فنڈ کے یونٹ کی قیمت 30 جون 2025 کو (EX-Div) 26.9458 روپے سے بڑھ کر 30 جون 2026 کو 7381 روپے ہو گئی، جس کے نتیجے میں یونٹ منافع 9.7923 روپے یعنی 36.3% ہے۔

30 جون 2026 کو این بی پی اسلامک سرمایہ اضافہ فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

میںجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 4.32 فیصد (بنیادی قیمت کا 12.02 فیصد) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکس

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 آکریڈٹس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2027 کو ختم ہونے والے سال کے لئے اپنے آپ کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

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

1. میںجمنٹ 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۔ شہریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرئل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔

- 9 ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران منجمنٹ کمیٹی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کی گئی ہے۔
- 11 یونٹ ہولڈنگ کا تفصیلی پٹرن مالیاتی گوشواروں کے نوٹ 23 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، سی ای او، ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 18 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2026 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

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

اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP منجمنٹ کمیٹی

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 Sarmaya Izafa Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

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

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 28, 2026

FUND MANAGER REPORT

NBP Islamic Sarmaya Izafa Fund

NBP Islamic Sarmaya Izafa Fund (NISIF) is an Open-ended Shariah Compliant Asset Allocation Fund

Investment Objective of the Fund

Objective of NISIF is to generate capital appreciation by investing in Shariah Compliant equity and equity related securities and income by investing in Shariah Compliant bank deposits, debt & money market securities.

Benchmark

Daily weighted return of KMI-30 Index for equity portion & 75% six (6) months PKISRV rates+ 25% 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 for fixed income portion & 90% three (3) months PKISRV rates +10% three (3) 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 for Money Market portion, based on Fund's actual allocation.

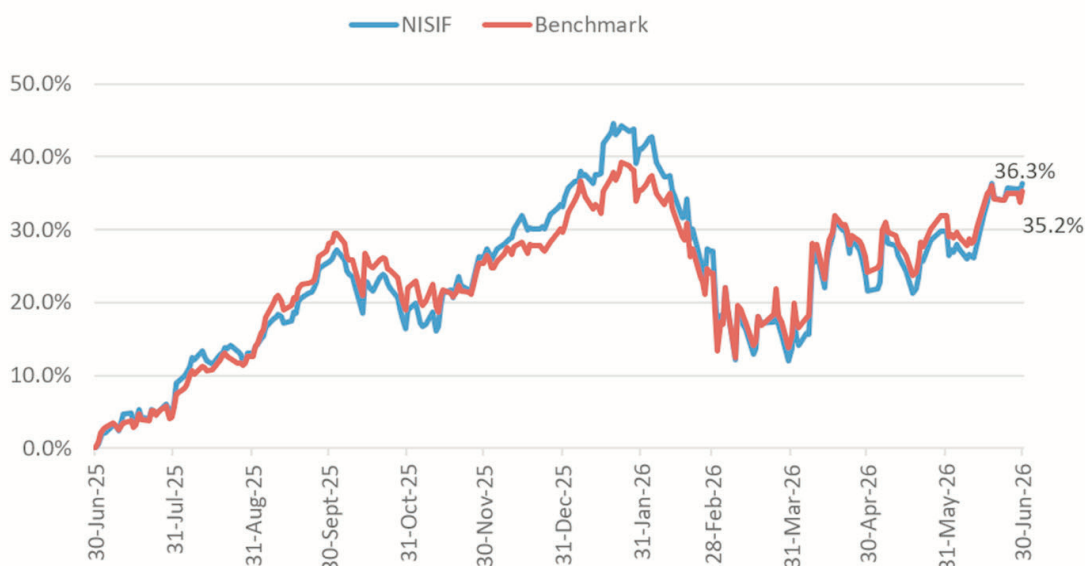
The fund category was changed to Islamic Asset Allocation from Islamic Balanced with effect from April 22, 2014. Consequently, allowed equity range is now 0% to 90% which previously was 30% to 70%. Previous benchmark was 50% KSE-30 Index & 50% 3-month Islamic Bank Deposit.

Fund performance review

This is the Nineteenth annual report of the Fund. During the fiscal year, NBP Islamic Sarmaya Izafa Fund (NISIF) increased by 36.3% versus 35.2% increase in the benchmark. Thus, the Fund outperformed the benchmark by 1.1% during the year. Since its launch (October 26, 2007), the Fund has risen by 1,389.9%, versus the benchmark return of 866.9%, thus to date outperformance is 523.0%. This outperformance is net of management fee and all other expenses. The Fund size is 2,277 mln as of June 30, 2026.

The chart below shows the performance of NISIF against the Benchmark for the year.

NISIF Performance vs. Benchmark during FY26



NISIF was around 82.0% invested in equities at the beginning of the year. During the year, we adjusted the allocation of the Fund based on our view on different asset classes. Towards the end of the year, NISIF was around 86.2% invested in equities.

The equity market delivered a strong performance during FY26, with the KMI-30 Index rising 39.2%. This follows gains of 46% in FY25 and 79% in FY24, taking the cumulative three-year return to 264%. The market remained resilient despite heightened volatility during the latter part of the year, as escalating tensions between the US and Iran, disruption to shipping through the Strait of Hormuz, and a sharp rise in global crude oil prices increased geopolitical and macroeconomic risks. The strong market performance was underpinned by continued macroeconomic stabilization, progress under the IMF program, improving economic activity, and strengthening investor confidence.

Economic recovery gained further momentum during FY26, with real GDP growth accelerating to 3.7%, the highest in four years, compared with 3.2% in FY25. Inflationary pressures, however, resurfaced during the year, with average CPI inflation rising to 7.1% from 4.6% in FY25. The increase was largely attributable to a low base effect and higher international energy prices following the escalation of the US-Iran conflict. In response, the central bank raised the policy rate by 100 bps to 11.5% in April-26 to contain inflationary pressures and anchor inflation expectations. Despite significant external debt repayments, and the sharp increase in global oil prices, the country's external position remained resilient. The current account recorded a modest deficit of USD 139 million in FY26, compared with a surplus of USD 1.8 billion in FY25, with higher imports and lower exports largely offset by record workers' remittances of USD 41.6 billion. External liquidity was further supported by fresh inflows, including USD 3.0 billion in Saudi deposits, Eurobond proceeds, and the country's inaugural Panda Bond. The Central Bank also purchased USD 6.5 billion from the foreign exchange market during 9MFY26, enabling foreign exchange reserves to exceed the June 2026 target of USD 18.0 billion. Reflecting the improvement in macroeconomic stability and progress on structural reforms, S&P Global upgraded Pakistan's long-term sovereign credit rating to 'B' from 'B-'.

Geopolitical developments became a key source of market volatility during the latter part of the year. The US-Iran conflict and the resulting disruption to the Strait of Hormuz led to a substantial increase in crude oil prices and heightened concerns over global energy security. Against this backdrop, Pakistan played a constructive diplomatic role in facilitating dialogue between the US and Iran and supporting efforts towards a ceasefire. Looking ahead, the outlook for FY27 remains constructive, although geopolitical developments and global economic conditions are likely to remain important sources of near-term volatility. Improving macroeconomic stability, stronger external buffers, continued fiscal discipline, expectations of easing of interest rates, and improving corporate profitability should provide a supportive backdrop for equities.

In terms of sector-wise performance, Automobile Parts & Accessories, Commercial Banks, Fertilizer, Investment Banks/Companies, Leather & Tanneries, Power Generation & Distribution, Technology & Communication, and Transport sectors outperformed the market. Conversely, Auto Assemblers, Cable & Electrical Goods, Cement, Chemical, Engineering, Food & Personal Care, Glass & Ceramics, Insurance, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing Companies, Pharmaceuticals, Refinery, Sugar, Textile Composite, and Tobacco sectors lagged.

Regarding participants' activity, Companies, Mutual Funds, and Individuals emerged as the largest net buyers, with inflows of USD 585 million, USD 401 million, and USD 328 million, respectively. In contrast, Insurance companies and Banks/DFIs reduced their net holdings by USD 241 million and USD 172 million, respectively.

Short-term corporate Sukuk activity maintained robust momentum, with fresh issuance of around Rs. 175 billion, reflecting continued confidence in high-quality Islamic financing. Investor appetite also remained strong for 1-year Government Debt Securities (GDS), with Rs. 826 billion realized during the period against a target of Rs. 1,385 billion. Cut-offs ranged from 9.5% to 12.9%, highlighting continued demand for liquidity-sensitive structures.



Asset Allocation of the Fund (% of NAV)

Particulars	30-Jun-26	30-Jun-25
Equities / Stocks	86.2%	84.4%
Cash Equivalents	15.9%	21.9%
TFC/Sukuk	0.2%	-
Other Net Assets / (Liabilities)	(2.3%)	(6.3%)
Total	100.0%	100.0%

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
Eden Housing (Sukuk II)	SUKUK	4,921,875	4,921,875	-	-	-
Total		4,921,875	4,921,875	-	-	-

Distribution for the Financial Year 2026

Interim Period/ Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex-Div. Price
June - 26	12.023	37.7472	36.5449

Unit Holding Pattern

Size of Units Holding	# of Unit Holders
1-1000	7833
1001-5000	714
5001-10000	308
10001-50000	523
50001-100000	109
100001-500000	99
500001-1000000	9
1000001-5000000	6
Total	9,601

During the period under question

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



STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

NBP Islamic Sarmaya Izafi Fund (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 nineteenth year of operations of NBP Islamic Sarmaya Izafa Fund (the "NISIF" 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.

We hereby certify that during the year, booked charity amounting PKR 3,906,112/- wherein amount available for disbursement is PKR 4,420,655/-, which is inclusive of PKR 514,543/- provisional amount of previous year adjusted after availability of the respective financial Statements.

Therefore, it is resolved that NBP Islamic Sarmaya Izafa Fund (NISIF) 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.

Mufti Irshad Ahmad Aijaz
Member
Shariah Supervisory Board

Mufti Muhammad Najeeb Khan
Member
Shariah Supervisory Board

Mufti Ehsan Waqar
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 Sarmaya Izafa Fund** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year 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 year 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 year 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 year 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 year 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**.

Chartered Accountants

Date: September 08, 2026
Place: Karachi



INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

TO THE UNIT HOLDERS OF NBP ISLAMIC SARMAYA IZAFI FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NBP Islamic Sarmaya Izafa Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026 and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026 and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key audit matter

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

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Valuation and existence of investment (Refer to note 6 of the financial statements) Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represent 86.36% of the net assets of the Fund. The Fund's primary activity is, inter alia, to invest in a diversified portfolio of Listed Equity Securities and Corporate Sukuks, which are the main drivers of the Fund's performance. Considering the above factors, the valuation and existence are significant areas during our audit due to which we have considered this as a key audit matter.	In this respect, we performed the following procedures: - Independently agreed the existence of investments from the Central Depository Company (CDC) account statement and other relevant documents; - Tested the valuation of performing investments by independently tracing rates to externally quoted market prices from the Pakistan Stock Exchange (PSX) and comparing prices to those quoted at the Mutual Funds Association of Pakistan (MUFAP); - Assessed the impairment provisions recognized against the non-performing Corporate Sukuk to ensure compliance with the provisioning methodology prescribed by SECP Circular 33 of 2012 and related MUFAP guidelines; and - Differences, if any, identified during our testing that were over our acceptable threshold were investigated further.

Other matter

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

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

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

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

Report on other legal and regulatory requirements

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

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

Yousuf Adil

Chartered Accountants

Place: Karachi

Date: September 08, 2026

UDIN: AR202610091AsvGRDCJ4

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2026

		2026	2025
ASSETS	Note	Rupees in '000	
Bank balances	5	361,133	357,503
Investments	6	1,966,499	1,317,999
Dividend and profit receivable	7	1,327	2,193
Receivable against sale of investments		9,757	735
Receivable from funds under management by Management Company against conversion of units		2,066	75,522
Advance, deposits and prepayment	8	6,499	6,484
Total assets		2,347,281	1,760,436
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	9	12,125	11,164
Payable to Central Depository Company of Pakistan Limited - the Trustee	10	299	240
Payable to the Securities and Exchange Commission of Pakistan	11	169	120
Payable against redemption and conversion of units		724	80,245
Accrued expenses and other liabilities	12	56,913	66,812
Total liabilities		70,230	158,581
NET ASSETS		2,277,051	1,601,855
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,277,051	1,601,855
CONTINGENCIES AND COMMITMENTS	13	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	14	61,980,665	57,553,876
		-----Rupees-----	
NET ASSET VALUE PER UNIT		36.7381	27.8323

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
	Note	Rupees in '000	
INCOME			
Profit on bank balances		18,852	31,231
Income on sukuks		514	205
Dividend income		65,103	60,330
Gain on sale of investments - net		97,942	92,280
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	6.4	468,504	423,102
		566,446	515,382
Total income		650,915	607,148
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company	9.1	57,975	42,686
Sindh Sales Tax on remuneration of Management Company	9.2	8,696	6,403
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	3,067	2,462
Sindh Sales Tax on remuneration of Trustee	10.2	460	369
Reimbursement of selling and marketing expenses	9.3	-	5,011
Sindh Sales Tax on reimbursement of selling and marketing expenses		-	752
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	-	984
Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services		-	147
Annual fee - Securities and Exchange Commission of Pakistan	11	1,964	1,389
Securities transaction cost		317	1,523
Settlement and bank charges		532	498
Auditors' remuneration	15	1,454	1,436
Fund rating fee		422	375
Professional charges		300	521
Annual listing fee		63	34
Printing charges		-	37
Brokerage charges		2,113	-
Shariah advisor fee		135	137
Total expenses		77,498	64,764
Net income from operating activities		573,417	542,384
Net income for the year before taxation		573,417	542,384
Taxation	16	-	-
Net income for the year after taxation		573,417	542,384
Earnings per unit	17		
Allocation of net income for the year			
Net income for the year after taxation		573,417	542,384
Income already paid on units redeemed		(128,903)	(112,053)
		444,514	430,331
Accounting income available for distribution			
- Relating to capital gains		444,514	430,331
- Excluding capital gains		-	-
		444,514	430,331

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

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

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	----- Rupees in '000 -----	
Net income for the year after taxation	573,417	542,384
Other comprehensive income for the year	-	-
Total comprehensive income for the year	573,417	542,384

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2026

	2026			2025		
	Capital value	Undistributed income/(loss)	Total	Capital value	Undistributed income/(loss)	Total
	(Rupees in '000)					
Net assets at the beginning of the year	1,271,459	330,396	1,601,855	1,224,347	(20,104)	1,244,452
Issuance of 65,581,602 units (2025: 34,816,403 units)						
- Capital value	1,825,287	-	1,825,287	716,943	-	716,943
- Element of income	470,228	-	470,228	224,342	-	224,342
Total proceeds on issue of units	2,295,515	-	2,295,515	962,935	-	962,935
Redemption of 61,154,813 units (2025 : 37,695,940 units)						
- Capital value	(1,702,079)	-	(1,702,079)	(776,239)	-	(776,239)
- Element of loss	(291,271)	(128,903)	(420,174)	(117,935)	(112,053)	(229,988)
Total payments on redemption of units	(1,993,350)	(128,903)	(2,122,253)	(894,174)	(112,053)	(1,006,227)
Distribution for the year ended June 30, 2026:						
Cash distribution @ Rs. 1.2023 per unit declared on June 29, 2026 (2025: Cash distribution @ Rs. 2.7594 per unit declared on June 27, 2025)	(15,289)	(56,194)	(71,483)	(21,649)	(120,039)	(141,688)
Total comprehensive income for the year	-	573,417	573,417	-	542,384	542,384
Net assets at the end of the year	1,558,335	718,716	2,277,051	1,271,459	330,396	1,601,855
Undistributed income brought forward						
- Realised loss		(92,706)			(386,495)	
- Unrealised gain		423,102			406,599	
		330,396			20,104	
Accounting income available for distribution						
- Relating to capital gains	444,514			430,331		
- Excluding capital gains	-			-		
	444,514			430,331		
Distribution during the year	(56,194)			(120,039)		
Undistributed income carried forward	718,716			330,396		
Undistributed income carried forward						
- Realised gain / (loss)	250,212			(92,706)		
- Unrealised gain	468,504			423,102		
	718,716			330,396		
	- (Rupees) -			- (Rupees) -		
Net assets value per unit at the beginning of the year	27.8323			20.5921		
Net assets value per unit at the end of the year	36.7381			27.8323		

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
	Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		573,417	542,384
Adjustments for non-cash items			
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.3	(468,504)	(423,102)
		104,913	119,282
(Increase) / decrease in assets			
Investments - net		(179,996)	154,839
Dividend and profit receivable		866	2,720
Receivable against sale of investments		(9,022)	11,071
Advance, deposits and prepayment		(15)	(18)
		(188,167)	168,612
(Decrease) / increase in liabilities			
Payable to NBP Fund Management Limited - the Management Company		961	2,156
Payable to Central Depository Company of Pakistan Limited - the Trustee		59	32
Payable to the Securities and Exchange Commission of Pakistan		49	23
Payable against purchase of investments		-	(12,500)
Accrued expenses and other liabilities		(9,899)	(21,618)
		(8,830)	(31,907)
Net cash (used in) / generated from operating activities		(92,084)	255,987
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		2,353,682	865,765
Amount paid on redemption of units		(2,201,774)	(927,510)
Cash dividend paid		(56,194)	(120,039)
Net cash generated from / (used in) financing activities		95,714	(181,784)
Net increase in cash and cash equivalents during the year		3,630	74,203
Cash and cash equivalents at the beginning of the year	5	357,503	283,300
Cash and cash equivalents at the end of the year	5	361,133	357,503

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NBP Islamic Sarmaya Izafa Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 17 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules). The Trust Deed was amended through supplemental trust deed executed on February 19, 2019 for the change of name and categorization of the Fund as a shariah compliant asset allocation scheme.
- 1.2** During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.
- 1.4** The Fund is an open-ended mutual fund and categorized as an Islamic Asset Allocation Scheme. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.
- 1.5** The investment objective of the Fund is to generate income by investing in shariah compliant equity and equity related securities and income by investing in shariah compliant bank deposits, debt and money market securities.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of 'AM1' as on May 05, 2026 (2025: AM1 as on May 05, 2025) to the Management Company and has assigned performance ranking of 3-star as at March 25, 2026 (2025: "3-star" to the Fund on February 28, 2025) to the fund.
- 1.7** The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The "NBFC Regulation") and the directives issued by the SECP.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IFRS and IAS, the provisions and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.



The accounting policies adopted and the methods of computation of balances used in the preparation of these financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2024. Except for the adaption of any new amended standard, as set out in note 4.

The Financial statements are being distributed to the unitholders as required by section 235 of the companies Act (The Act).

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these financial statements gives a true and fair view of the state of the Fund's affairs as at June 30, 2025.

The Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

2.2 Basis of Measurement

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund. All amounts have been rounded off to the nearest thousands of Rupee, unless otherwise indicated.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

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

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

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

Lack of Exchangeability (Amendments to IAS 21)

3.2 Standard and amendments to IFRS that are not yet effective

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

- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)
- Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures



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

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

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

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

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 Regulatory Assets and Regulatory Liabilities

4 MATERIAL ACCOUNTING POLICIES INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented in the financial statements.

4.1 Financial instruments

4.1.1 Recognition and initial 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 associated with these financial assets are charged to the income statement.

4.1.2 Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

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

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

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

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

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

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

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



Reclassifications

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

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective yield method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Debt securities at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective yield method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The fair value of financial assets are determined as follows:

a) Debt securities (other than Government securities)

Debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated October 24, 2012. 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 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.

b) Equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are initially classified as measured at amortised cost and also subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.



4.1.3 Fair value measurement principle and provisions

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

4.1.4 Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

4.1.5 Impairment of financial asset

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (EL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investment, advances and deposits, dividend and mark-up receivable and bank balances.

4.1.6 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - 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.

4.1.7 Derecognition

Financial Assets

The Fund derecognises regular-way sales of financial assets using trade date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Fund transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.



On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

Financial liability

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4.1.8 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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

4.2 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

4.3 Issuance 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 the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of any duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

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

4.4 Element of income

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

Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV 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 (refund of capital) in the same proportion as dividend bears to accounting income available for distribution.



MUFAP, in consultation with SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which fund achieved net profitability during the year. The income already paid (element of income) on redemption of units during the year are taken separately in statement of movement in unitholders' fund.

4.5 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in profit and loss account.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Impaired assets are reviewed for possible reversal of the impairment at each statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the profit and loss account.

4.6 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 amount of obligation can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

4.7 Net assets value per unit

The net assets value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units outstanding at the year end.

4.8 Taxation

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with the Income Tax Ordinance, 2001.

The Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. Provided that for the purpose of determining distribution of at least ninety percent of its accounting income for the year, income distributed through bonus units shall not be taken into account.

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

4.9 Income recognition

- Capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on mark to market of investments classified as Financial assets at fair value through profit or loss are included in the income statement in the year in which they arise.

- Mark-up on deposits with banks and mark-up / return on investments in debt and government securities is recognised using effective yield method.
- Dividend income is recognised when the right to receive the dividend is established. For quoted equity securities, this is usually the ex-dividend date.

4.10 Expenses

All expenses including Management fee, Trustee fee and Securities and Exchange Commission of Pakistan fee are recognised in the income statement on accrual basis.

4.11 Earnings / (loss) per unit

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

Earnings / (loss) per unit (EPU) 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.

4.12 Distributions

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

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

4.13 Cash and cash equivalents

Cash and cash equivalents comprise of saving accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

		2026	2025
	Note	-----Rupees in '000-----	
5. BANK BALANCES			
Current accounts		8,607	4,457
Saving accounts	5.1	<u>352,526</u>	<u>353,046</u>
		<u>361,133</u>	<u>357,503</u>

- 5.1 These include a balance of Rs 0.174 million (2025: Rs 1.254 million) with National Bank of Pakistan (a related party) that carries profit at the rate of 6.00% (2025: 6.00%) per annum. Other savings accounts of the Fund carry profit at rates ranging from 0.10% to 12.10% (2025: 6.8% to 20.00%) per annum

		2026	2025
	Note	-----Rupees in '000-----	
6 INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Listed equity securities	6.1	1,962,477	1,313,999
Sukuks	6.2	<u>4,022</u>	<u>4,000</u>
		<u>1,966,499</u>	<u>1,317,999</u>

6.1 Listed Equity Securities

* All shares have a nominal face value of Rs. 10 each except for shares of Sitara Petroleum Service Limited and Barkat Frisian Agro Limited which carry a face value of Rs. 1 each; shares of Lucky Cement Limited, Kohat Cement Company Limited, Kohinoor Textile Mills Limited, Service Long March Tyres Limited and Systems Limited which carry a face value of Rs. 2 each; and shares of Millat Tractors Limited, Synthetic Products Enterprises Limited, Thal Limited, Agriaautos Industries Limited and Shabbir Tiles & Ceramics Limited which carry a face value of Rs. 5 each.

Name of the investee company	As at July 01, 2025	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of		Investment as a percentage of paid up capital of the investee company
							Net assets of the Fund	Total investments of the Fund	
						Rupees in '000		%	
OIL AND GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited	194,851	50,700	-	212,900	32,651	11,178	0.49	0.57	0.01
Sitara Petroleum Service Limited *	-	534,788	-	534,788	-	-	-	-	-
Hascol Petroleum Limited	3,424	-	-	-	3,424	71	0.00	0.00	0.00
	198,275	585,488	-	747,688	36,075	11,249	0.49	0.57	0.01
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	134,435	23,296	-	67,050	90,681	61,146	2.69	3.11	0.01
Oil & Gas Development Company Limited	840,390	220,900	-	171,100	890,190	298,098	13.09	15.16	0.02
Pakistan Petroleum Limited	1,151,851	185,600	-	240,100	1,097,351	266,239	11.69	13.54	0.04
	2,126,676	429,796	-	478,250	2,078,222	625,483	27.47	31.81	0.07
FOOD AND PERSONAL CARE PRODUCTS									
Al Shaheer Corporation Limited	11,788	-	-	-	11,788	159	0.01	0.01	0.00
Unity Foods Limited	-	395,500	-	395,500	-	-	-	-	-
Barkat Frisian Agro Limited *	412,211	-	-	281,000	131,211	4,780	0.21	0.24	0.04
	423,999	395,500	-	676,500	142,999	4,939	0.22	0.25	0.05
ENGINEERING									
Mughal Iron & Steel Industries Limited	24,469	-	-	19,056	5,413	474	0.02	0.02	0.00
CEMENT									
Lucky Cement Limited *	89,296	55,516	-	4,800	140,012	65,738	2.89	3.34	0.01
Attock Cement Pakistan Limited	54,392	37,300	-	67,091	24,601	5,333	0.23	0.27	0.02
Kohat Cement Company Limited *	321,023	1,398,932	-	167,500	1,552,455	170,956	7.51	8.69	0.17
Fecto Cement Limited	77,200	-	-	77,200	-	-	-	-	-
Fauji Cement Company Limited	12,400	87,500	-	6,000	93,900	5,404	0.24	0.27	0.00
Cherat Cement Company Limited	-	112,097	-	-	112,097	38,778	1.70	1.97	0.06
Pioneer Cement Limited	-	13,568	-	13,568	-	-	-	-	-
Maple Leaf Cement Factory Limited	53,000	149,400	-	164,500	37,900	4,052	0.18	0.21	0.00
	607,311	1,854,313	-	500,659	1,960,965	290,261	12.75	14.76	0.26
TRANSPORT									
Pakistan National Shipping Corporation Limited	133,850	-	-	12,515	121,335	78,791	3.46	4.01	0.06
Pakistan International Bulk Terminal Limited	1,810,000	-	-	998,800	811,200	15,478	0.68	0.79	0.05
	1,943,850	-	-	1,011,315	932,535	94,269	4.14	4.79	0.11
TEXTILE COMPOSITE									
Nishat Mills Limited	279,700	318,574	-	210,400	387,874	61,230	2.69	3.11	0.11
Kohinoor Textile Mills Limited *	292,962	1,621,549	-	257,534	1,656,977	91,482	4.02	4.65	0.12
Interloop Limited	60,200	233,501	-	-	293,701	31,585	1.39	1.61	0.02
Millat Tractors Limited *	2	-	-	-	2	1	-	0.00	-
Synthetic Products Enterprises Limited *	590	-	-	-	590	31	0.00	0.00	0.00
	633,454	2,173,624	-	467,934	2,339,144	184,329	8.10	9.37	0.25
FERTILIZER									
Fatima Fertilizer Company Limited	304,500	104,858	-	103,100	306,258	50,624	2.22	2.57	0.01
Fauji Fertilizer Company Limited	154,262	288,774	-	116,550	326,486	187,233	8.22	9.52	0.02
	458,762	393,632	-	219,650	632,744	237,857	10.45	12.10	0.04
POWER GENERATION AND DISTRIBUTION									
The Hub Power Company Limited	539,614	20,100	-	340,000	219,714	51,292	2.25	2.61	0.02

NBP ISLAMIC SARMAYA IZAFAT FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

Name of the investee company	As at July 01, 2025	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of		Investment as a percentage of paid up capital of the investee company
							Net assets of the Fund	Total investments of the Fund	
----- Number of shares -----						Rupees in '000	----- % -----		
COMMERCIAL BANKS									
Meezan Bank Limited	228,371	51,307	-	2,000	277,678	143,410	6.30	7.29	0.02
AUTOMOBILE PARTS AND ACCESSORIES									
Thal Limited *	1	42,214	-	-	42,215	27,239	1.20	1.39	0.05
Service Long March Tyres Limited *	-	1,022,025	-	125,000	897,025	22,766	1.00	1.16	0.01
Agriaautos Industries Limited *	1,750	-	-	-	1,750	299	0.01	0.02	0.00
	1,751	1,064,239	-	125,000	940,990	50,304	2.21	2.56	0.07
PHARMACEUTICALS									
Haleon Pakistan Limited (GlaxoSmithKline Consumer HealthCare)	13,227	-	-	13,227	-	-	-	-	-
Ferozsons Laboratories Limited	600	-	-	-	600	242	0.01	0.01	0.00
The Searle Company Limited 54,986		42,100	7,528	96,500	8,114	767	0.03	0.04	0.00
AGP Limited	56,994	15,900	-	24,610	48,284	9,962	0.44	0.51	0.02
Abbott Laboratories (Pakistan) Limited	2,200	4,800	-	440	6,560	6,458	0.28	0.33	0.01
GlaxoSmithKline Pakistan Limited	15,950	18,500	-	10,200	24,250	8,979	0.39	0.46	0.01
	143,957	81,300	7,528	144,977	87,808	26,408	1.16	1.34	0.03
TECHNOLOGY AND COMMUNICATION									
Avanceon Limited	22,647	-	-	-	22,647	816	0.04	0.04	0.01
Systems Limited *	422,055	140,200	-	106,675	455,580	67,011	2.94	3.41	0.03
	444,702	140,200	-	106,675	478,227	67,827	2.98	3.45	0.04
CABLE AND ELECTRICAL GOODS									
Pak Elektron Limited	-	540,416	-	540,416	-	-	-	-	-
GLASS AND CERAMICS									
Tariq Glass Industries Limited	42,889	42,800	-	6,956	77,733	15,017	0.66	0.76	0.05
Shabbir Tiles & Ceramics Limited *	1,434,596	-	-	1,434,596	-	-	-	-	-
Ghani Glass Limited	93,000	-	-	93,000	-	-	-	-	-
	1,569,485	42,800	-	1,534,552	77,733	15,017	0.66	0.76	0.05
INVESTMENT BANK									
Engro Holdings Limited	299,842	176,600	-	83,251	393,191	113,129	4.97	5.75	0.03
REFINERY									
Attock Refinery Limited	-	53,150	-	8,900	44,250	37,642	1.65	1.91	0.04
PAPER, BOARD & PACKAGING									
Century Paper & Board Mills Limited	-	287,500	-	-	287,500	8,587	0.38	0.44	0.07
Total as at June 30, 2026									
	9,644,518	8,289,965	7,528	7,006,823	10,935,188	1,962,477	86.18	99.80	
Carrying value as at June 30, 2026						1,493,995			
Market value as at June 30, 2025						1,313,999			
Carrying value as at June 30, 2025						890,897			

6.1.1 Investments include shares with market value of Rs. 143.796 million (June 30, 2025: Rs. 100.635 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

	2026		2025	
	Quantity	Market Value	Quantity	Market Value
		Rupees in '000		Rupees in '000
The Hub Power Company Limited	62,000	14,474	62,000	8,544
Oil & Gas Development Company Limited	100,000	33,487	100,000	22,056
Pakistan Petroleum Limited	395,000	95,835	345,000	58,709
Pakistan State Oil Company Limited	-	-	30,000	11,326
	557,000	143,796	537,000	100,635



6.1.2 The Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholders were to be treated as income and tax at the rate of 5 percent was to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax was to be collected at source by the company declaring bonus shares which was to be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, led a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B (Part IV) and 99 (Part II) of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted a stay order till the final outcome of the case.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the Collective Investment Schemes (CISs) were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. After that, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

The Finance Act, 2018 effective from July 01, 2018, has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on the stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. However, with the introduction of the Finance Act, 2023, Section 236Z has been incorporated in the Income Tax Ordinance, 2001, effective from July 1, 2024. As per the aforementioned section, every company quoted on the stock exchange issuing bonus shares to the shareholders of the company, is required to withhold ten percent of the bonus shares to be issued, determined on the basis of the day-end price on the first day of closure of books of the issuing company and such tax shall be treated as final tax.

Moreover, the total market value of shares that are withheld amounting to Rs. 26.970 million (2025: 33.767 million) which are not deposited in the CDC account of the Fund."

6.2 Sukuks

Name of the investee company	Number of certificates				Market value as at June 30, 2026	Market value as a percentage of		
	As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026		Net assets of the Fund	Total investments of the Fund	
						Rupees in '000	-----	% -----
All sukuks have a face value of Rs. 1,000,000 each								
Sitara Chemical Industries Limited	4	-	-	4	4,022	0.18	0.20	
Total as at June 30, 2026					4,022	0.18	0.20	
Carrying value as at June 30, 2026					4,000			
Market value as at June 30, 2025					4,000			
Carrying value as at June 30, 2025					4,000			

6.3 Non-performing Sukuks

Name of the investee company	Note	Number of certificates				Market value as at June 30, 2026	Market value as a percentage of	
		As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026		Net assets of the Fund	Total investments of the Fund

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

All sukuk have a face value of Rs. 1,000 each

Eden Housing Limited	6.3.1	5,000	-	5,000	-	-	-	-
Total as at June 30, 2026						-	-	-
Carrying value as at June 30, 2026						-	-	-
Market value as at June 30, 2025						-	-	-
Carrying value as at June 30, 2025						-	-	-

6.3.1 This represents investment in privately placed sukuk with a term of five years. On May 6, 2011, the investee company defaulted its principal and profit payment and therefore it was classified as non performing asset by MUFAP. The amount of provision as per Circular no. 1 of 2009 and Circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

6.3.2 The sukuk held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

6.3.3 Other particulars of sukuk outstanding as at June 30, 2026 are as follows:

Name of the investee company	Face value (unredeemed)	Mark-up rate per annum	Rating	Issue date	Maturity date
Rupees-in 000					
Sitara Chemical Industries Limited	4,000	3 month KIBOR plus 1.75%	AA-	February 13, 2025	February 13, 2032

6.4 Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' **Note** **2026** **2025**
-----Rupees in '000-----

Market value of investments	1,966,499	1,317,999
Less: carrying value of investments	(1,497,995)	(894,897)
	468,504	423,102

7 DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable	-	46
Accrued profit on bank balances	1,254	2,101
Accrued profit on sukuk	73	46
	1,327	2,193



		2026	2025
	Note	-----Rupees in '000-----	
8 ADVANCE, DEPOSITS AND PREPAYMENT			
Advance tax	8.1	3,686	3,686
Security deposits with:			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan limited		100	100
Prepaid Mutual Fund Rating fee		213	198
		6,499	6,484

- 8.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 151 and 150. However, withholding tax on dividend and profit on bank deposit paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on dividends and profit on bank deposits as at June 30, 2026 amounts to Rs. 3.686 million (2025: Rs. 3.686 million).

For this purpose, Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding taxes deducted on profit on bank balances and dividend amount have been shown as advance tax as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

		2026	2025
	Note	-----Rupees in '000-----	
9 PAYABLE TO NBP FUND MANAGEMENT LIMITED			
- THE MANAGEMENT COMPANY			
Management remuneration	9.1	5,012	4,211
Sindh Sales Tax on management remuneration	9.2	752	632
Reimbursement of selling and marketing expenses	9.3	-	2,807
Sindh Sales Tax on reimbursement of selling and marketing expenses		-	421
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	-	682
Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services		-	102
Sales load and transfer load payable including Sindh Sales Tax		5,473	1,780
ADC charges payable including Sindh Sales Tax		888	529
		12,125	11,164

- 9.1** The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has substituted Regulation 60(5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, whereby the Management Company shall use a weighted average approach based on respective allocation of net assets to determine the Management Fee Caps, with effect from July 01, 2025. Accordingly, during the year ended June 30, 2026, the Management Company has charged its remuneration as follows:

2026:

- From July 01, 2025 to June 30, 2026 at the rate of 2.80% of the average net assets

2025:

- From July 01, 2024 to January 12, 2025 at the rate of 2.5% of the average net assets

- From January 12, 2025 to June 30, 2025 at the rate of 3.33% of the average net assets

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

- 9.2** This represents amount payable in respect of Sindh sales tax at the rate of 15% (2025: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 9.3** Previously, pursuant to Circular No. 11 dated July 5, 2019, the Management Company was entitled to charge selling and marketing expenses to the Collective Investment Scheme (CIS). However, the Securities and Exchange Commission of Pakistan (SECP), through S.R.O. 600(I)/2025 dated April 10, 2025, amended Schedule XX of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, whereby the chargeability of selling and marketing expenses was discontinued with effect from April 10, 2025. Accordingly, the Management Company has not charged any selling and marketing expenses to the Fund during the current year.
- 9.4** Previously, pursuant to Regulation 60 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company was entitled to charge fees and expenses relating to registrar services, accounting, operations and valuation services to the Collective Investment Scheme (CIS). However, the Securities and Exchange Commission of Pakistan (SECP), through S.R.O. 600(I)/2025 dated April 10, 2025, amended Schedule XX of the NBFC Regulations, whereby the chargeability of such expenses was discontinued with effect from April 10, 2025. Accordingly, the Management Company has not charged any such expenses to the Fund during the current year.

		2026	2025
	Note	-----Rupees in '000-----	
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE			
Trustee remuneration	10.1	260	209
Sindh Sales Tax on Trustee remuneration	10.2	39	31
		<u>299</u>	<u>240</u>

- 10.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

Net assets	2026	2025
	Fee	
- Upto Rs. 1,000 million	0.20% per annum of net assets,	0.20% per annum of net assets,
- On an amount exceeding Rs. 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets, exceeding Rs 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets, exceeding Rs 1,000 million

The remuneration is paid to the Trustee monthly in arrears

- 10.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 15% (2025: 15%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

		2026	2025
	Note	----- (Rupees in '000) -----	
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Fee payable	11.1	<u>169</u>	<u>120</u>



- 11.1** Under the provisions of the NBFC Regulations, a collective investment scheme categorised as an "Asset Allocation Scheme" is required to pay fee to the Securities and Exchange Commission of Pakistan at an amount equal to 0.095% (2025: 0.095%) per annum of the average net assets of the Fund. The fee is paid monthly in arrears.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026	2025
			----- (Rupees in '000) -----	-----
	Federal Excise Duty on remuneration of the Management Company	12.1	18,406	18,406
	Federal Excise Duty payable on sales load		17,549	17,549
	Auditors' remuneration payable		1,228	978
	Professional charges payable		207	216
	Shariah advisor fee payable		177	684
	Bank charges payable		53	88
	Settlement charges payable		175	73
	Brokerage charges payable		514	-
	Printing charges payable		20	140
	Charity payable	12.2	4,863	4,417
	Withholding tax payable		11,979	22,808
	Capital gain tax payable		1,737	1,448
	Other payable		5	5
			56,913	66,812

- 12.1** As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on September 04, 2013.

The Honorable Sindh High Court (SHC) through its recent order dated June 02, 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from July 01, 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated July 16, 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honourable Supreme Court against the Sindh High Court' decision dated June 02, 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from July 01, 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 18.406 million (2025: Rs. 18.406 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re. 0.2970 (2025: Re. 0.3198) per unit.

- 12.2** According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of an investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund.

Accordingly, during the year ended June 30, 2026, Non-Shariah Compliant income amounting to Rs. 3.952 million (2025: Rs. 3.980 million) was excluded from dividend income in the books of the Fund and Rs. 3.974 million was disbursed to charitable / welfare organisations.



13 CONTINGENCIES AND COMMITMENTS

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

14 NUMBER OF UNITS IN ISSUE

	2026	2025
	----(Number of units)----	
Total units in issue at the beginning of the year	57,553,876	60,433,412
Add: Units issued during the year	65,581,602	34,816,404
Less: Units redeemed during the year	(61,154,813)	(37,695,940)
Total units in issue at the end of the year	61,980,665	57,553,876

15 AUDITORS' REMUNERATION

	2026	2025
	-----Rupees in 000-----	
Annual audit fee	555	405
Half yearly review	221	250
Shari'ah audit fee	206	500
Other certification	115	125
Out of pocket expenses including government levy	357	156
	1,454	1,436

16 TAXATION

"The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units as the case may be shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the fund for the year ended June 30, 2026 to the unit holders in the manner as explained above. Accordingly, no provision has been made in the financial statements for the year ended June 30, 2026.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, the super tax introduced through the Finance Act, 2015 is not applicable to the Fund under Section 4B of the Income Tax Ordinance, 2001."

17 EARNINGS PER UNIT

Earnings Per Unit (EPU) 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.

18 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The previously applicable TER limit of 4.50% for a collective investment scheme categorised as an "Asset Allocation Scheme" has been replaced with a management fee, which is disclosed in note 9.1 to these financial statements for collective investment schemes categorised as "Asset Allocation Scheme".

19 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

19.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and 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.

19.2 Transactions with connected persons / related parties essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, Trust deed and the NBFC Regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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

19.4 Details of transaction with connected persons and related parties are as follows:

follows:	2026	2025
	----- Rupees in '000' -----	
NBP Fund Management Limited - the Management Company		
Remuneration of NBP Fund Management Limited - Management Company	57,975	42,686
Sindh Sales Tax on remuneration of Management Company	8,696	6,403
Reimbursement of selling and marketing expenses	-	5,011
Sindh Sales Tax on reimbursement of selling and marketing expenses	-	752
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	-	984
Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	-	147
ADC charges including Sindh Sales Tax	642	430
Sales load and transfer load including Sindh Sales Tax	8,947	4,448
Amount received against issuance of unit holder **	-	10,384
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	3,067	2,462
Sindh Sales Tax on remuneration of Trustee	460	369
Settlement charges	183	266
Employees of the Management Company		
Units issued / trasferred in: 885,503 Units (2025: 1,589,265 Units)	30,637	42,967
Units redeemed / transferred out: 843,543 Units (2025: 2,482,977 Units)	29,456	62,071
Dividend re-invest: 713 Units (2025: 1,416 Units)	26	40
National Bank of Pakistan - Parent of the Management Company		
Profit on bank balance	175	125



	2026	2025
	----- Rupees in '000' -----	
Taurus Securities Limited - Subsidiary of Parent of the Management Company		
Brokerage charges	228	88
Portfolio managed by Management Company		
Units issued / transferred in: 2,196,316 Units (2025: 77 units) ***	77,300	-
Units redeemed / transferred out: 832 Units (2025: Nil units)	29	-
Dividend re-invest: 11,215 Units (2025: 832 Units)	409	3

* 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.

*** Nil due to rounding off.

19.5 Details of amounts outstanding as at year end with connected persons are as follows:

	2026	2025
	----- Rupees in '000' -----	
NBP Fund Management Limited - Management Company		
Management remuneration	5,012	4,211
Sindh Sales Tax on management remuneration	752	632
Reimbursement of selling and marketing expenses	-	2,807
Sindh Sales Tax on reimbursement of selling and marketing expenses	-	421
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	-	682
Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	-	102
Sales load and transfer load payable including Sindh Sales Tax	5,473	1,780
ADC charges payable including Sindh Sales Tax	888	529
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	260	209
Sindh Sales Tax on remuneration of the Trustee	39	31
Settlement charges	121	73
Security deposit	100	100
National Bank of Pakistan - Parent of the Management Company		
Bank balance	174	1,254
Profit receivable	4	7
Employees of the Management Company		
Units held: 82,881 units (2025: 40,208 units)	3,045	1,119
Taurus Securities Limited - Subsidiary of Parent of the Management Company		
Brokerage payable	113	-
Portfolio managed by Management Company		
Units held: 2,207,531 units (2025: 831 units)	81,101	23



As at June 30, 2026			
	At amortised cost	At fair value through profit or loss	Total
20 FINANCIAL INSTRUMENTS BY CATEGORY	----- (Rupees in '000) -----		
Financial Assets			
Bank balances	361,133	-	361,133
Investments	-	1,966,499	1,966,499
Dividend and profit receivable	1,327	-	1,327
Receivable against sale of investments	9,757	-	9,757
Receivable from funds under management by Management Company against conversion of units	2,066	-	2,066
Deposits	2,600	-	2,600
	376,883	1,966,499	2,343,382
Financial Liabilities			
Payable to NBP Fund Management Limited - the Management Company	12,125	-	12,125
Payable to Central Depository Company of Pakistan Limited - Trustee	299	-	299
Payable against redemption and conversion of units	724	-	724
Accrued expenses and other liabilities	24,791	-	24,791
	37,939	-	37,939
Net assets attributable to unitholders	2,277,051	-	2,277,051
As at June 30, 2025			
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----			
Financial assets			
Bank balances	357,503	-	357,503
Investments	-	1,317,999	1,317,999
Dividend and profit receivable	2,193	-	2,193
Receivable against sale of investments	735	-	735
Receivable from funds under management by Management Company against conversion of units	75,522	-	75,522
Deposits	2,600	-	2,600
	438,553	1,317,999	1,756,552



As at June 30, 2025

	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees in '000) -----		
Financial liabilities			
Payable to NBP Fund Management Limited - Management Company	11,164	-	11,164
Payable to Central Depository Company of Pakistan Limited - Trustee	240	-	240
Payable against conversion and redemption of units	80,245	-	80,245
Accrued expenses and other liabilities	24,150	-	24,150
	115,799	-	115,799
Net assets attributable to unitholders	1,601,855	-	1,601,855

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

21.1 Market risk

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

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



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

(i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As at June 30, 2026 the Fund is exposed to such risk on its bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 3.525 million (2025: Rs 3.530 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. 0.040 million. (2025: 0.080 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2026 and June 30, 2025 the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

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

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

As at June 30, 2026					
Yield / interest rate (%)	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
	Upto three months	Over three months and upto one year	Over one year		

(Rupees in '000)

On-balance sheet financial instruments

Financial assets

Bank balances	0.10 - 12.10	352,526	-	-	8,607	361,133
Investments		-	-	-	1,966,499	1,966,499
Dividend and profit receivable		-	-	-	1,327	1,327
Receivable against sale of investments		-	-	-	-	-
Receivable from funds under management by Management Company against conversion of units		-	-	-	2,066	2,066
Deposits		-	-	-	2,600	2,600
		352,526	-	-	1,981,099	2,333,625



As at June 30, 2026					
Yield / interest rate (%)	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
	Upto three months	Over three months and upto one year	Over one year		
----- (Rupees in '000) -----					

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Payable against redemption and conversion of units

Accrued expenses and other liabilities

Net assets attributable to unitholders

-	-	-	12,125	12,125
-	-	-	299	299
-	-	-	724	724
-	-	-	24,791	24,791
-	-	-	2,277,051	2,277,051
-	-	-	2,314,990	2,314,990

On-balance sheet gap

352,526	-	-	(333,891)	18,635
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Off-balance sheet financial instruments

-	-	-	-	-
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Off-balance sheet gap

-	-	-	-	-
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Total interest rate sensitivity gap

352,526	-	-	-	-
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Cumulative interest rate sensitivity gap

352,526	352,526	352,526	-	-
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As at June 30, 2025					
Yield / interest rate (%)	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
	Upto three months	Over three months and upto one year	Over one year		
----- (Rupees in '000) -----					

On-balance sheet financial instruments

Financial Assets

Bank balances	0.10 - 12.00	353,046	-	-	4,457	357,503
Investments		-	-	-	1,317,999	1,317,999
Dividend and profit receivable		-	-	-	2,193	2,193
Receivable against sale of investments		-	-	-	735	735
Receivable from funds under management by Management Company against conversion of units		-	-	-	75,522	75,522
Deposits		-	-	-	2,600	2,600
		353,046	-	-	1,403,506	1,756,552



As at June 30, 2025					
Yield / interest rate (%)	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
	Upto three months	Over three months and upto one year	Over one year		

(Rupees in '000)

Financial Liabilities

Payable to NBP Fund Management Limited

- Management Company

Payable to Central Depository Company

of Pakistan Limited - Trustee

Payable against redemption and conversion of units

Accrued expenses and other liabilities

Net assets attributable to unitholders

-	-	-	11,164	11,164
-	-	-	240	240
-	-	-	80,245	80,245
-	-	-	24,150	24,150
-	-	-	1,601,855	1,601,855
-	-	-	1,717,654	1,717,654

On-balance sheet gap

353,046	-	-	(314,148)	38,898
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Off-balance sheet financial instruments

-	-	-	-	-
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Off-balance sheet gap

-	-	-	-	-
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Total interest rate sensitivity gap

353,046	-	-	-	-
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Cumulative interest rate sensitivity gap

353,046	353,046	353,046	-	-
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(ii) Currency risk

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

(iii) Price risk

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

The fund is exposed to equity price risk because of investments held by the Fund and classified on the Statement of Assets and Liabilities at fair value through profit and loss'.

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

In case of 5% increase / (decrease) in KMI 30 index on June 30, 2026, with all other variables held constant, net assets for the year would increase / (decrease) by Rs. 98.124 million (2025: Rs. 65.700 million) as a result of gains / (losses) on equity securities classified 'at fair value through profit and loss'.



The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI 30 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 index.

21.2 Credit risk

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

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

	2026	2025
	----- (Rupees in '000) -----	
Balances with banks		
AAA	203,427	75,693
AA+	60,823	51
AA-	7,992	171,566
AA	831	1,316
A-	84	84
A	87,976	108,684
No Rating	-	109
	361,133	357,503

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets.

Concentration of the credit risk

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

21.3 Liquidity risk

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

Management of liquidity risk

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

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, during the current year, no borrowing was obtained by the Fund.

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

Maturity analysis for financial liabilities

The table below summarizes the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

June 30, 2026				
	Total	Upto three months	Over three months and upto one year	Over one year
	(Rupees in '000)			
Financial liabilities				
Payable to NBP Fund Management Limited				
- Management Company	12,125	12,125	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	299	299	-	-
Payable against redemption and conversion of units	724	724	-	-
Accrued expenses and other liabilities	24,791	24,791	-	-
	37,939	37,939	-	-
Net assets attributable to unitholders	2,277,051	2,277,051	-	-
June 30, 2025				
	Total	Upto three months	Over three months and upto one year	Over one year
	(Rupees in '000)			
Financial liabilities				
Payable to NBP Fund Management Limited				
- Management Company	11,164	11,164	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	240	240	-	-
Payable against redemption and conversion of units	80,245	80,245	-	-
Accrued expenses and other liabilities	24,150	24,150	-	-
	115,799	115,799	-	-
Net assets attributable to unitholders	1,601,855	1,601,855	-	-

22 UNITHOLDERS' FUND RISK MANAGEMENT

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

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

As at June 30, 2026, The Fund meets the requirement of sub-regulation 54 (3a) which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all time during the life of the scheme.

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

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

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

		June 30, 2026						
		Carrying value			Fair value			
		At fair value through profit and loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment - Listed equity securities		1,966,499	-	1,966,499	1,962,477	-	-	1,962,477
Investment - Sukuk		4,022	-	4,022	-	4,022	-	4,022
		<u>1,970,521</u>	<u>-</u>	<u>1,970,521</u>	<u>1,962,477</u>	<u>4,022</u>	<u>-</u>	<u>1,966,499</u>
Financial assets not measured at fair value								
	23.1							
Bank balances		-	361,133	361,133				
Dividend and profit receivable		-	1,489	1,489				
Receivable against sale of investments		-	9,757					
Receivable from funds under management by Management Company against conversion of units		-	2,066					
Deposits		-	2,600	2,600				
		<u>-</u>	<u>377,045</u>	<u>365,222</u>				



June 30, 2026							
Carrying value			Fair value				
	At fair value through profit and loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)						
Financial liabilities not measured at fair value	23.1						
Payable to NBP Fund Management Limited - Management Company	-	12,125	12,125				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	299	299				
Payable against redemption and conversion of units	-	724	724				
Accrued expenses and other liabilities	-	24,791	24,791				
Net assets attributable to unitholders	-	2,277,051	2,277,051				
	-	2,314,990	2,314,990				
June 30, 2025							
Carrying value			Fair value				
	At fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
On-balance sheet financial instruments							
At fair value through profit or loss							
Investment - Listed equity securities	1,317,999	-	1,317,999	1,313,999	-	-	1,313,999
Investment - Sukuk	4,000	-	4,000	-	4,000	-	4,000
	1,321,999	-	1,321,999	1,313,999	4,000	-	1,317,999
Financial assets not measured at fair value	23.1						
Bank balances	-	357,503	357,503				
Dividend and profit receivable	-	2,193	2,193				
Receivable against sale of investments		735					
Receivable from funds under management by Management Company against conversion of units	-	75,522	75,522				
Deposits	-	2,600	2,600				
	-	438,553	437,818				
Financial liabilities not measured at fair value	23.1						
Payable to NBP Fund Management Limited - Management Company	-	11,164	11,164				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	240	240				
Payable against redemption and conversion of units	-	80,245	80,245				
Accrued expenses and other liabilities	-	24,150	24,150				
Net assets attributable to unitholders	23.2	1,601,855	1,601,855				
	-	1,717,654	1,717,654				

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



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

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

List of brokers / dealers by percentage of commission paid / payable during the year ended June 30, 2026.

S. No	Particulars	Percentage (%)
1	Taurus Securities Ltd.	10.80
2	Topline Securities Limited	8.36
3	Integrated Equities Limited	6.51
4	Insight Securities (Pvt.) Limited	6.51
5	J.S. Global Capital Ltd.	5.26
6	Aqeel Karim Dehdi Securities (Pvt) Limited	4.75
7	Habib Metropolitan Financial Services	3.88
8	Foundation Securities	3.65
9	Spectrum Securities (Pvt) Limited	3.33
10	Ktrade Securities Limited	3.32

List of brokers by percentage of commission paid during the year ended June 30, 2025:

S. No	Particulars	Percentage (%)
1	Integrated Equities Limited	10.18
2	D.J.M Securities (Pvt) Limited	7.85
3	J.S. Global Capital Ltd.	7.10
4	Taurus Securities Limited	6.67
5	Ktrade Securities Limited	5.40
6	Insight Securities (Pvt.) Limited	4.22
7	AKIK Capital (Pvt.) Ltd	4.16
8	Aqeel Karim Dehdi Securities (Pvt) Limited	3.78
9	Alpha Capital (Pvt) Limited	3.32
10	Foundation Securities	3.23

25 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	Doctorate in Business Administration, MBA and CFA	38
Mr Salman Ahmed	Head of Fixed Income	CFA	21
Mr. Asim Wahab Khan	Chief Investment Officer	CFA	20
Muhammad Waseem	Head of Research	CFA	11
Mr. Hassan Raza	Head of Fixed Income	ACCA, BSC and CFA	15

25.1 The name of the Fund Manager is Asim Wahab Khan. Other funds managed by the Fund Manager are as follows:

- NBP Stock Fund
- NAFA Pension Fund
- NBP GOPK Pension Fund - Money Market Sub Fund
- NBP Punjab Pension Fund-Money Market Sub Fund
- NBP GOPK Islamic Pension Fund - Money Market Sub Fund
- NBP Islamic Punjab Pension Fund - Money Market Sub Fund
- NBP Pakistan Growth Exchange Traded Fund
- NBP Islamic Energy Fund

26 PATTERN OF UNIT HOLDING

Category

Individuals

Insurance

Others

Public Company

Retirement Funds

As at June 30, 2026

Number of unit holders	Investment amount	Percentage investment
(Rupees in '000)		
9,487	1,917,192	84.20
3	4,127	0.18
64	93,615	4.11
-	-	-
47	262,117	11.51
9,601	2,277,051	100.00

As at June 30, 2025

Number of unit holders	Investment amount	Percentage investment
(Rupees in '000)		
8,785	1,358,050	84.78
3	3,027	0.19
65	83,655	5.22
1	1	0.00
53	157,122	9.81
8,907	1,601,855	100.00

27 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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 Director	Number of Meetings			Meetings not attended
	Held during tenure of directorship	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	6	6	-	106th Meeting
Faisal Ahmed ***	5	5	-	
Mehnaz Salar	6	6	-	
Ali Saigol	6	5	1	
Imran Zaffar	6	6	-	



Name of Director	Number of Meetings			Meetings not attended
	Held during tenure of directorship	Attended	Leave granted	
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

28 GENERAL

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

29 CORRESPONDING FIGURES

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

30 DATE OF AUTHORISATION FOR ISSUE

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

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

Chief Financial Officer

Chief Executive Officer

Director



PERFORMANCE TABLE

Particulars	For the year ended June 30, 2026	For the year ended June 30, 2025	For the year ended June 30, 2024	For the year ended June 30, 2023	For the year ended June 30, 2022	For the year ended June 30, 2021
Net assets at the year / period ended (Rs '000)	2,277,051	1,601,855	1,244,452	1,284,449	3,102,338	5,611,416
Net Income / (loss) for the year / period ended (Rs '000)	573,417	542,384	625,274	61,425	(314,141)	1,084,365
Net Asset Value per unit at the year / period ended (Rs)	36.7831	27.8323	20.5921	15.1426	15.2302	16.7187
Offer price per unit	38.0056	28.79	21.2902	15.6559	15.7465	17.2855
Redemption price per unit	36.7381	27.83	20.5921	15.1426	15.2302	16.7187
Ex - Highest offer price per unit (Rs.)	40.2825	29.6931		16.3145	18.2369	17.7241
Ex - Lowest offer price per unit (Rs.)	28.0537	18.5558		14.3198	15.4676	14.4431
Ex - Highest redemption price per unit (Rs.)	38.9391	28.7029		15.7796	17.6389	17.1430
Ex - Lowest redemption price per unit (Rs.)	27.1180	17.9369		13.8503	14.9604	13.9695
Opening Nav of Fiscal Year	26.9458	18.70	15.1426	14.7660	16.7187	13.7819
Total return of the fund	36.34%	48.86%	66.00%	2.55%	-8.90%	21.31%
- capital growth	33.05%	38.72%	36.07%	-0.59%	-8.90%	18.38%
- income distribution as a % of ex nav	3.29%	10.14%	29.93%	3.14%	-	2.93%
- income distribution as a % of par value	12.02%	27.59%	45.32%	4.76%	-	4.97%
Distribution						
Interim distribution per unit (Rs)	1.2023		4.5324	0.4764	-	0.4974
Final distribution per unit (Rs)				-		
Distribution Dates						
Interim	29-Jun-2026	27-Jun-2025	27-Jun-2024	27-Jun-2023	-	23-Jun-21
Final				-	-	-
Average annual return of the fund (launch date October 29, 2007)						
(Since inception to June 30, 2026)	15.55%					
(Since inception to June 30, 2025)		14.47%				
(Since inception to June 30, 2024)			12.70%			
(Since inception to June 30, 2023)				9.94%		
(Since inception to June 30, 2022)					10.46%	
(Since inception to June 30, 2021)						12.03%
(Since inception to June 30, 2020)						
(Since inception to June 30, 2019)						
(Since inception to June 30, 2018)						
(Since inception to June 30, 2017)						
(Since inception to June 30, 2016)						
(Since inception to June 30, 2015)						
(Since inception to June 30, 2014)						
(Since inception to June 30, 2013)						
(Since inception to June 30, 2012)						
(Since inception to June 30, 2011)						
(Since inception to June 30, 2010)						
Portfolio Composition (Please see Fund Manager Report)						

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



PROXY ISSUED BY THE FUND

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

The details of summarized proxies voted are as follows:

NBP Islamic Sarmaya Izafa Fund				
	Resolutions	For	Against	Abstain
Number	4	4	Nil	N/A
(%)	100%	100%	-	-

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