



Islamic Savings

NBP Fund Management Limited



NBP ISLAMIC STOCK 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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

Al Baraka Islamic Bank Limited	MCB Bank Limited
Allied Bank Limited	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan
Bank Al Habib Limited	Silk Bank Limited
Bankislami Pakistan Limited	Summit Bank Limited
Dubai Islamic Bank Pakistan Limited	United Bank Limited
Habib Bank Limited	Faysal Bank Limited
Habib Metropolitan Bank Limited	

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, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

Board of Directors



Mr. Ali Saigol
Director



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Tahir Jawaid
Director



Mr. Saad Muzaffar Waraich
Director



Syed Mujtaba Abbas
Director



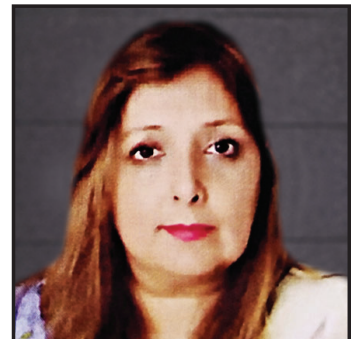
Mr. Imran Zaffar
Director



Mr. Umar Ahsan Khan
Director



Dr. Amjad Waheed, CFA
Chief Executive Officer



Ms. Mehnaz Salar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Financial Officer &
Company Secretary



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



Mr. Ozair Ali Khan
Chief Technology Officer



Mr. Salman Ahmed, CFA
Chief Investment Officer
Fixed Income



Mr. Mustafa Farooq
Chief Operating Officer



Mr. Raza Jafri
Head of Portfolio &
Investment Advisory



Syed Sharoz Mazhar, CFA
Chief Strategy & Growth Officer



Mr. Hassan Raza, CFA
Head of Equity



Mr. Waheed Abidi
Head of Internal Audit



Mr. Muhammad Umer Khan
Chief Human Resources Officer



Mr. Muhammad Waseem
Head of Research



Tanveer Fatima
Head of Compliance & Risk

DIRECTORS' REPORT

The Board of Directors of NBP Fund Limited is pleased to present the Twelfth Annual Report of **NBP Islamic Stock Fund (NISF)** 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.

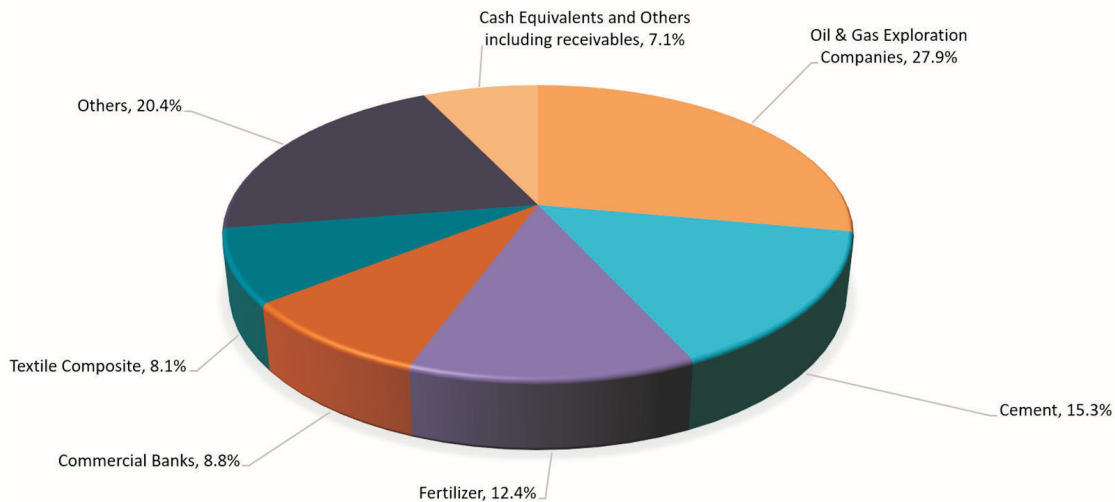
In terms of sector-wise performance, Automobile Parts & Accessories, Commercial Banks, Fertilizer, Investment Banks/Companies, Leather & Tanneries, Power Generation & Distribution, Technology & Communication, and Transport sectors outperformed the market. Conversely, Auto Assemblers, Cable & Electrical 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.

During the fiscal year, NBP Islamic Stock Fund (NISF) increased by 37.2% as against the KMI-30 index increased by 39.2%, underperforming the benchmark by 2.0% during the year. Since the inception of the Fund, the return on NBP Islamic Stock Fund was 424.3% as against the Benchmark KMI-30 index return of 390.7%. Thus, the Fund outperformed by 33.6% during the period. This outperformance is net of management fee and all other expenses. The Fund size is Rs 14,769 mln as of June 30, 2026.

NBP Islamic Stock Fund has earned a total income of Rs. 3,531.74 million during the year. After deducting total expenses of Rs. 451.93 million, the net income is Rs. 3,079.81 million. During the year, the unit price of NBP Islamic Stock Fund has increased from Rs. 18.9500 (Ex-Div) on June 30, 2025 to Rs. 25.9903 on June 30, 2026. The resultant per unit income is Rs. 7.0403 (37.2%).

The asset allocation of NBP Islamic Stock 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 1.357% of the opening ex-NAV (2.597% 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, has completed their five years tenure in the capacity of Auditor of the Fund. As per the requirement of Regulation 38(2)(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the replacement would be required. The Board has approved the appointment of Messrs Grant Thornton Anjum Rahman Chartered Accountants, for appointment for the year ending June 30, 2027.

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

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



7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the year. The attendance of all directors is disclosed in the note 27 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 14 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 مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP اسلامک اسٹاک فنڈ کی بارہویں سالانہ رپورٹ برائے ختمہ سال 30 جون 2026 پیش کرتے ہوئے اظہار مسرت کرتے 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) افریقا پر 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 متحکم 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 ادائیگیاں 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 زرنے 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 بانڈ بائنڈ سیت نیٹ 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 سو ریٹنگ 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۔ ایران تنازع اور اس کے نتیجے میں آبنائے ہرمز کے ذریعے بحری آمد و رفت 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 ذخائر، 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۔

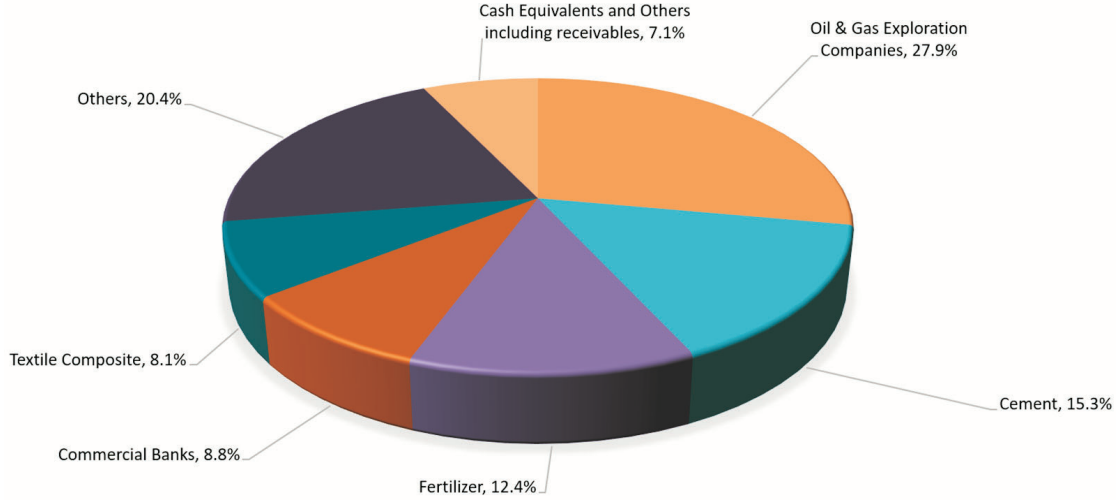
شعبہ دارکارکردگی کے لحاظ سے آٹو مو بائل پارٹس اینڈ ایکسیسریز، کمرشل بینکس، فریٹ لائزر، انویسٹمنٹ بینکس/کمپنیاں، لیڈر اینڈ ٹیئرز، پاور جنریشن اینڈ ڈسٹری بیوشن، نیکینا لوجی اینڈ کیونیکیشن اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی دکھائی۔ اس کے برعکس آٹو اسمبلرز، کمیل اینڈ الیکٹریکل گڈز، سیمنٹ، کیمیکل، انجینئرنگ، فوڈ اینڈ پرنٹل کیئر، گلاس اینڈ سیرامکس، انشورنس، متفرق، آئل اینڈ گیس ایکسپلوریشن، آئل اینڈ گیس مارکیٹنگ کمپنیاں، فارماسیوٹیکلز، ریفرنسری، شوگر، ٹیکسٹائل کمپوزٹ اور تھمبا کے شعبوں نے مارکیٹ سے اتر کارکردگی کا مظاہرہ کیا۔

سرمایہ کاروں کی سرگرمی کے حوالے سے کمپنیاں، میڈیچل 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 نے سال کے دوران اپنی خالص ہولڈنگز میں بالترتیب 241 ملین اور 172 ملین امریکی ڈالر کی کمی کی۔

مالی سال کے دوران، NBP اسلامک اسٹاک فنڈ میں KMI-30 انڈیکس کے 39.2 فیصد اضافے کے مقابلے میں 37.2 کا اضافہ ہوا، سال کے دوران بیچ مارک 2.0 کی اتر کارکردگی دکھائی۔ فنڈ کے آغاز کے بعد سے NBP اسلامک اسٹاک فنڈ نے 390.7 فیصد کے بیچ مارک KMI-30 انڈیکس منافع کے مقابلے میں 424.3 فیصد منافع دیا۔ لہذا فنڈ نے اسی مدت کے دوران 33.6 فیصد کی بہتر کارکردگی دکھائی۔ یہ بہتر کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات منہا کرنے کے بعد خالص ہے۔ 30 جون 2026 کو فنڈ کا سائز 14,769 ملین روپے ہے۔

NBP اسلامک اسٹاک فنڈ کو اس مدت کے دوران 3,531.74 ملین روپے کی کل آمدنی ہوئی۔ 451.93 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 3,079.81 ملین روپے ہے۔ سال کے دوران، NBP اسلامک اسٹاک فنڈ کے پونٹ کی قیمت 30 جون 2025 کو (Ex-Div) 18.9500 روپے سے بڑھ کر 30 جون 2026 کو 25.9903 روپے ہو گئی۔ جس کے نتیجے میں نی پونٹ آمدنی 7.0403 روپے (37.2%) ہے۔

30 جون 2026 کو NBP اسلامک اسٹاک فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2026 کے اختتام کے بعد اوپننگ ex-NAV کا 1.357% (بنیادی قدر کا 2.597%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

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

آڈیٹرز

موجودہ آڈیٹرز، میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس، نے فنڈ کے آڈیٹر کی حیثیت سے اپنی پانچ سالہ مدت مکمل کر لی ہے۔ نان بینکنگ فنانس کمپنیز اینڈ ٹریڈ اینڈ اینڈسٹری ریکولیشنز، 2008 کے ریگولیشن (h) 38(2) کی ضرورت کے مطابق آڈیٹر کی تبدیلی ضروری ہے۔ چنانچہ بورڈ نے 30 جون 2027 کو ختم ہونے والے سال کے لیے میسر گرانت تھورنٹن انجمن رحمان، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹر تقرری کی منظوری دے دی ہے۔

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

1. مینیجمنٹ 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۔ شریاتی تحجیم مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرئل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی دواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیلیں / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔

- 10 اس مدت کے دوران منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 27 میں ظاہر کی گئی ہے۔
- 11 یونٹ ہولڈنگ کا تفصیلی پٹرن مالیاتی گوشواروں کے نوٹ 14 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2026 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

نام	کے بگاری
1 جناب طاہر جاوید 2 جناب سعد مظفر وڈانج 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 کمپنی پر اپنے اعتماد اور بھروسہ کا اظہار کیا اور اسے اپنی خدمت کا موقع فراہم کیا۔ بورڈ سیکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان (SECP) اور اسٹیٹ بینک آف پاکستان (SBP) کی سرپرستی، رہنمائی اور تعاون پر بھی تہہ دل سے شکریہ ادا کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 04 ستمبر 2026ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Stock 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 Stock Fund

Shariah Compliant - Open-end - Equity Fund

Investment Objective of the Fund

The objective of NBP Islamic Stock Fund is to provide investors with long term capital growth from an actively managed portfolio invested primarily in Shariah Compliant listed companies in Pakistan.

Benchmark

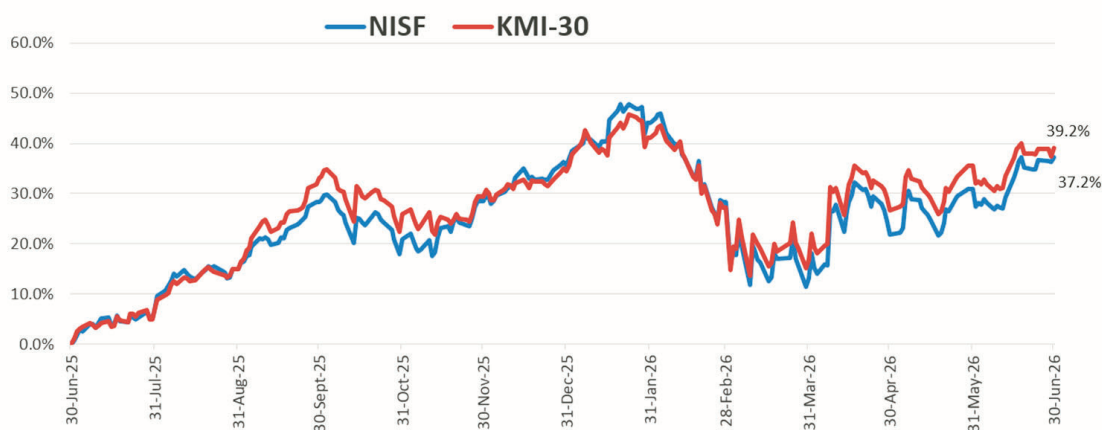
The Benchmark of the Fund is KMI-30 Index.

Fund performance review

This is the Twelfth annual report of the Fund. During the fiscal year, NBP Islamic Stock Fund (NISF) increased by 37.2% as against the KMI-30 index increased by 39.2%, underperforming the benchmark by 2.0% during the year. Since the inception of the Fund, the return on NBP Islamic Stock Fund was 424.3% as against the Benchmark KMI-30 index return of 390.7%. Thus, the Fund outperformed by 33.6% during the period. This outperformance is net of management fee and all other expenses. The Fund size is 14,769 mln as of June 30, 2026.

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

NISF Performance vs. Benchmark during FY26



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.

Asset Allocation of the Fund (% of NAV)

Particulars	30-Jun-26	30-Jun-25
Equities / Stocks	92.9%	99.1%
Cash Equivalents	10.6%	2.6%
Other Net (Liabilities) / Assets	(3.5%)	(1.7%)
Total	100.0%	100.0%

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	2.597%	26.1380	25.8783



Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	4801
1001-5000	1225
5001-10000	523
10001-50000	1172
50001-100000	330
100001-500000	417
500001-1000000	62
1000001-5000000	57
5000001-10000000	8
10000001-100000000	11
Total	8,606

During the period under question

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



STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NBP Islamic Stock 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 twelfth year of operations of NBP Islamic Stock Fund (the "NISF" 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 20,894,036/- wherein amount available for disbursement is PKR 22,021,897/-, which is inclusive of PKR 1,127,861/- provisional amount of previous year adjusted after availability of the respective financial Statements.

Therefore, it is resolved that NBP Islamic Stock Fund (NISF) 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 Waquar
Shariah Advisor & Chairman
Shariah Supervisory Board

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

To The Board of Directors of NBP Fund Management Limited

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of **NBP Islamic Stock 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**.

Yousuf Adil
Chartered Accountants

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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the unit holders of NBP Islamic Stock Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **NBP Islamic Stock 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 92.88% of the net assets of the Fund. The Fund's primary activity is, inter alia, to invest in Listed Equity Securities which is the main driver 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; - Tested valuation of investments by independently tracing rate to externally quoted market prices from the Pakistan Stock Exchange (PSX); and - Differences, if any, identified during our testing that were over our acceptable threshold were investigated further.

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide 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: AR202610091mLM9tPkwE

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025 -----
ASSETS			
Bank balances	5	1,161,927	194,951
Investments	6	13,717,119	7,472,668
Profit receivable	7	1,489	2,331
Receivable from funds under management by Management Company against conversion of units		121,743	272,718
Receivable against sale of investments		-	138,041
Advance, deposits and prepayment	8	7,307	7,289
Total assets		15,009,585	8,087,998
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	9	48,986	43,792
Payable to Central Depository Company of Pakistan Limited - Trustee	10	1,369	819
Payable to Securities and Exchange Commission of Pakistan	11	1,053	598
Payable against conversion and redemption of units		41,748	426,401
Payable against purchase of investments		82,832	-
Accrued expenses and other liabilities	12	64,327	79,456
Total liabilities		240,315	551,066
NET ASSETS		14,769,270	7,536,932
UNITHOLDERS' FUND (As Per Statement Attached)		14,769,270	7,536,932
CONTINGENCIES AND COMMITMENTS			
	13	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	14	568,260,912	393,774,831
		----- Rupees -----	
NET ASSETS VALUE PER UNIT		25.9903	19.1402

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025 -----
INCOME			
Dividend income		394,155	255,103
Profit on bank balances		21,730	19,992
Gain on sale of investments - net		605,811	621,604
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	6.2	2,510,039	1,856,544
		<u>3,115,850</u>	<u>2,478,148</u>
Total income		3,531,735	2,753,243
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company	9.1	345,446	186,874
Sindh Sales Tax on remuneration of Management Company	9.2	51,817	28,031
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	12,515	6,938
Sindh Sales Tax on remuneration of Trustee	10.2	1,877	1,041
Reimbursement of selling and marketing expenses	9.3	-	22,211
Sindh Sales Tax on reimbursement of selling and marketing expenses		-	3,332
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	-	3,484
Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services		-	523
Annual fee - Securities and Exchange Commission of Pakistan	11.1	10,939	5,641
Securities transaction cost		24,459	14,929
Settlement and bank charges		1,931	1,021
Auditors' remuneration	15	1,373	1,418
Fund rating fee		378	342
Annual listing fee		62	31
Professional charges		372	474
Shariah advisor fee		756	547
Printing charges		-	55
Total expenses		451,925	276,892
Net income from operating activities		3,079,810	2,476,351
Net income for the year before taxation		3,079,810	2,476,351
Taxation	16	-	-
Net income for the year after taxation		3,079,810	2,476,351
Earnings per unit	17		
Allocation of net income for the year			
Net income for the year after taxation		3,079,810	2,476,351
Income already paid on units redeemed		(1,418,361)	(1,028,848)
		<u>1,661,449</u>	<u>1,447,503</u>
Accounting income available for distribution			
- Relating to capital gains		1,661,449	1,447,503
- Excluding capital gains		-	-
		<u>1,661,449</u>	<u>1,447,503</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Net income for the year after taxation	3,079,810	2,476,351
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>3,079,810</u>	<u>2,476,351</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	2026			2025		
	Capital Value	Accumulated (losses) / Undistributed income	Total	Capital Value	Accumulated losses	Total
(Rupees in '000)						
Net assets at the beginning of the year	8,019,344	(482,412)	7,536,932	4,346,861	(1,340,095)	3,006,766
Issuance of 1,212,695,805 units (2025: 848,954,963 units)						
- Capital value (at ex - net assets value per unit)	23,211,240	-	23,211,240	11,740,877	-	11,740,877
- Element of income	6,171,561	-	6,171,561	4,948,811	-	4,948,811
Total proceeds on issuance of units	29,382,801	-	29,382,801	16,689,688	-	16,689,688
Redemption of 1,038,209,724 units (2025: 672,592,605 units)						
- Capital value (at ex - net assets value per unit)	(19,871,542)	-	(19,871,542)	(9,301,821)	-	(9,301,821)
- Element of loss	(3,795,816)	(1,418,361)	(5,214,177)	(3,138,320)	(1,028,848)	(4,167,168)
Total payments on redemption of units	(23,667,358)	(1,418,361)	(25,085,719)	(12,440,141)	(1,028,848)	(13,468,989)
Distribution for the year ended June 30, 2026						
Cash distribution @ Re. 0.2597 per unit declared on June 29, 2026 (2025: Cash distribution @ Re. 3.4587 per unit declared on June 27, 2025)	(70,628)	(73,926)	(144,554)	(577,064)	(589,820)	(1,166,884)
Total comprehensive income for the year	-	3,079,810	3,079,810	-	2,476,351	2,476,351
Net assets at the end of the year	13,664,159	1,105,111	14,769,270	8,019,344	(482,412)	7,536,932
Accumulated losses brought forward						
- Realised loss		(2,338,956)			(2,170,397)	
- Unrealised gain		1,856,544			830,302	
		(482,412)			(1,340,095)	
Accounting income available for distribution						
- Relating to capital gains	1,661,449			1,447,503		
- Excluding capital gains	-			-		
	1,661,449			1,447,503		
Total distribution during the year		(73,926)			(589,820)	
Undistributed income / accumulated (losses) carried forward		1,105,111			(482,412)	
Undistributed income / accumulated (losses) carried forward						
- Realised loss		(1,404,928)			(2,338,956)	
- Unrealised gain		2,510,039			1,856,544	
		1,105,111			(482,412)	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year		19.1402			13.8298	
Net assets value per unit at the end of the year		25.9903			19.1402	

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF CASHFLOWS 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	3,079,810	2,476,351
Adjustments for:		
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	6.2 (2,510,039)	(1,856,544)
	569,771	619,807
(Increase) in assets		
Investments - net	(3,734,412)	(2,650,440)
Profit receivable	842	(325)
Receivable against sale of investments	138,041	(136,519)
Advance, deposits and prepayment	(18)	(19)
	(3,595,547)	(2,787,303)
Increase in liabilities		
Payable to NBP Fund Management Limited - Management Company	5,194	17,554
Payable to Central Depository Company of Pakistan Limited - Trustee	550	453
Payable to Securities and Exchange Commission of Pakistan	455	368
Payable against purchase of investments	82,832	-
Accrued expenses and other liabilities	(15,129)	23,045
	73,902	41,420
Net cash used in operating activities	(2,951,874)	(2,126,076)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	29,463,148	15,840,039
Amount paid on redemption of units	(25,470,372)	(13,042,629)
Cash dividend paid	(73,926)	(589,820)
Net cash generated from / (used in) financing activities	3,918,850	2,207,590
Net increase in cash and cash equivalents during the year	966,976	81,514
Cash and cash equivalents at the beginning of the year	5 194,951	113,437
Cash and cash equivalents at the end of the year	5 1,161,927	194,951

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NBP Islamic Stock Fund (the Fund) was established under a Trust Deed entered into on November 18, 2014 between NBP Fund Management Limited as 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 November 12, 2014 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of Mutual Fund Association of Pakistan (MUFAP).
- 1.4** The Fund has been categorised as an open ended "Shariah compliant equity scheme" by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited (PSX). The units of the Fund were initially offered for public subscription at Rs. 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis on January 09, 2015 and are transferable and redeemable by surrendering them to the Fund.
- 1.5** The objective of the Fund is to provide investors with long-term capital growth from an actively managed portfolio of shariah compliant listed equities securities. The investment objectives and policies are explained in the Fund's offering document.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of AM1 on May 05, 2026 (2025: AM1 on May 05, 2025) to the Management Company and a performance ranking of "3-Star" on March 25, 2026 (2025: "3-Star" 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

- 2.1.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - provisions of and directives issued under the Companies Act, 2017 along with the requirements of Part VIIIA of the repealed Companies Ordinance, 1984; and
 - the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations) and requirements of the Trust Deed.



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

2.1.2 The SECP vide SRO 800 (I)/2021 dated June 22, 2021 modified the effective date for applicability of International Financial Reporting Standard 9 (IFRS 9) - Financial Instruments in place of International Accounting Standard 39 (Financial Instruments: Recognition and Measurement) for Non-Banking Finance Companies and Modarabas, as "Reporting period / year ending on or after June 30, 2022 (earlier application permitted)". As permitted, the Fund had already applied IFRS-9 during the year ended June 30, 2019 with the exception of below mentioned impairment requirements as referred in note 2.1.3 of these financial statements.

2.1.3 The SECP vide letter ref SCD / AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of International Financial Reporting Standard 9 (IFRS 9) "Financial Instruments" in relation to debt securities for mutual funds. Accordingly, the impairment requirements of IFRS 9 have not been considered for debt securities and requirements of SECP Circular 33 of 2012 have continued to be followed.

2.2 Accounting convention

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

2.3 Functional and presentation currency

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

2.4 Use of judgments and estimates

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

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

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

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

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

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

- Lack of Exchangeability (Amendments to IAS 21)

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

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

	Effective from accounting periods beginning on or after:
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	January 01, 2025
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements	July 01, 2025
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
- IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2026

3.2.1 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 POLICY INFORMATION

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

During the year, the Fund adopted Disclosure of Accounting Policies (Amendment to IAS 01) effective for annual reporting periods beginning on or after January 1, 2024. The amendment required the disclosure of 'material', rather than 'significant' accounting policies. The amendments did not result in any changes to the accounting policies themselves.

4.1 Cash and cash equivalents

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

4.2 Financial instruments

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

4.2.1 Initial recognition and measurement

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

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

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

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

Financial asset at amortised cost

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

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

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

Financial asset at FVTOCI

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

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

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

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

Financial asset at FVTPL

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

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

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

Business model assessment

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

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

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

The Fund has determined that it has two business models.

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

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

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

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

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

Reclassifications

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

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

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

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

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

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

4.2.3 Impairment of financial assets

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

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

4.2.4 Derecognition

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

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

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

4.2.5 Fair value measurement principles and provision

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

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

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

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

The fair value of financial instruments is determined as follows:

Basis of valuation of equity investments

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

4.2.6 Regular way contracts

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

4.2.7 Offsetting of financial assets and liabilities

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

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

4.3 Derivatives

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

4.4 Provisions

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

4.5 Collaterals

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies such collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

4.6 Taxation

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

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

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

4.7 Distributions to unit holders

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on MUFAP's guidelines (duly consented upon by the SECP), distribution for the year is deemed to comprise of the portion of amount 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 period in which such distributions are declared and approved by the Board of Directors of the Management Company. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year/period is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year / period.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the year / period. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.8 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that day. The offer price represents

the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load, if applicable, is payable to the investment facilitators and the Management Company / distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.9 Element of Income

Element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net Assets Value (NAV) at the beginning of the relevant accounting period.

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 same ex-dividend net asset value of all units outstanding on 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. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

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

4.10 Net assets value per unit

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

4.11 Revenue Recognition

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

4.12 Expenses

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

5	BANK BALANCES	Note	2026	2025
			----- (Rupees in '000) -----	
	In current accounts		39,814	22,021
	In saving accounts	5.1	1,122,113	172,930
			<u>1,161,927</u>	<u>194,951</u>

- 5.1 This includes balance of Rs. 2.76 million (2025: Rs 5.25 million) maintained with National Bank of Pakistan, that carries profit at the rate of 6.00% (2025: 6.00%) per annum. Other savings accounts carry profit at rates ranging from 0.10% to 11.50% (2025: 0.10% to 10.75%) per annum.

6 INVESTMENTS

Note **2026** **2025**
----- (Rupees in '000) -----

Financial asset 'at fair value through profit or loss'

- Listed equity securities **6.1** **13,717,119** **7,472,668**

6.1 Listed equity securities

* All shares have a nominal face value of Rs.10 each except for shares of Synthetic Products Enterprises Limited, Millat Tractors Limited, National Foods Limited, Agriauto Industries Limited, Thal Limited, Al-Ghazi Tractors Limited, and Shabbir Tiles and Ceramics Limited carry a face value of Rs. 5 each; K-Electric Limited shares have a face value of Rs. 3.5 each; Lucky Cement Limited, Systems Limited, Service Long March Tyres Limited, Kohinoor Textile Mills Limited and Kohat Cement Limited shares have a face value of Rs. 2 each; while shares of Barkat Frisian Agro Limited, Bunny's Limited and Sitara Petroleum Service Limited have a face value of Rs. 1 each.

Name of the investee company	As at July 01, 2025	Purchases during the year	Bonus / right issue during the year	Sales during the year	As at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company **
							Net assets of the Fund **	Total investments of the Fund **	
	Number of shares held.....					(Rupees in '000)	----- % -----		
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited	1,304,320	167,000	-	1,373,500	97,820	33,489	0.23	0.24	0.02
Sui Northern Gas Pipelines Limited	1,101,400	-	-	786,700	314,700	38,057	0.26	0.28	0.05
Hascol Petroleum Limited	1,583	-	-	-	1,583	33	0.00	0.00	0.00
Sitara Petroleum Service Limited *	-	2,512,794	-	2,512,794	-	-	-	-	-
	2,407,303	2,679,794	-	4,672,994	414,103	71,579	0.48	0.52	
OIL & GAS EXPLORATION COMPANIES									
Pakistan Petroleum Limited	6,042,448	3,529,000	-	2,305,600	7,265,848	1,762,840	11.94	12.85	0.27
Mari Energies Limited	390,935	301,239	-	97,550	594,624	400,949	2.71	2.92	0.05
Oil and Gas Development Company Limited	4,878,974	2,516,919	-	1,538,600	5,857,293	1,961,432	13.28	14.30	0.14
	11,312,357	6,347,158	-	3,941,750	13,717,765	4,125,221	27.93	30.07	
FERTILIZERS									
Fauji Fertilizer Company Limited	897,516	3,053,448	-	1,517,000	2,433,964	1,395,830	9.45	10.18	0.17
Fatima Fertilizer Company Limited	2,346,027	1,797,316	-	1,524,700	2,618,643	432,862	2.93	3.16	0.12
	3,243,543	4,850,764	-	3,041,700	5,052,607	1,828,692	12.38	13.33	
CEMENT									
Kohat Cement Limited *	1,246,301	8,417,840	-	253,301	9,410,840	1,036,322	7.02	7.56	1.02
Lucky Cement Limited *	575,227	1,452,275	-	315,842	1,711,660	803,659	5.44	5.86	0.12
Maple Leaf Cement Factory Limited	2,045,090	1,228,600	-	3,015,251	258,439	27,630	0.19	0.20	0.02
Fauji Cement Company Limited	3,493,318	1,930,000	-	2,499,500	2,923,818	168,266	1.14	1.23	0.12
Attock Cement (Pakistan) Limited	521,299	124,661	-	486,875	159,085	34,485	0.23	0.25	0.12
Cherat Cement Company Limited	-	614,867	-	53,099	561,768	194,332	1.32	1.42	0.29
Pioneer Cement Limited	-	35,667	-	35,667	-	-	-	-	-
	7,881,235	13,803,910	-	6,659,535	15,025,610	2,264,694	15.33	16.51	
MISCELLANEOUS									
Ecopack Limited	2	-	-	-	2	-	-	-	-
Shifa International Hospitals Limited	269,780	74,036	-	155,176	188,640	95,356	0.65	0.70	0.30
	269,782	74,036	-	155,176	188,642	95,356	0.65	0.70	
AUTOMOBILE PARTS & ACCESSORIES									
Agriauto Industries Limited *	250	-	-	-	250	43	0.00	0.00	0.00
Thal Limited *	-	371,993	-	1,800	370,193	238,863	1.62	1.74	0.46
Service Long March Tyres Limited *	-	2,293,361	-	279,000	2,014,361	51,124	0.35	0.37	0.03
	250	2,665,354	-	280,800	2,384,804	290,030	1.96	2.11	
AUTOMOBILES ASSEMBLER									
Millat Tractors Limited *	4	-	-	-	4	1	-	-	-
Sazgar Engineering Works Limited	-	65,520	-	9,943	55,577	114,683	0.78	0.84	0.09
	4	65,520	-	9,943	55,581	114,684	0.78	0.84	
GLASS AND CERAMICS									
Tariq Glass Mills Limited	129,827	825,428	-	358,700	596,555	115,242	0.78	0.84	0.35
Ghani Glass Limited	739,500	-	-	739,500	-	-	-	-	-
Shabbir Tiles and Ceramics Limited *	1,797,393	-	-	1,721,885	75,508	815	0.01	0.01	0.03
	2,666,720	825,428	-	2,820,085	672,063	116,057	0.79	0.85	

NBP ISLAMIC STOCK FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

Name of the investee company	As at July 01, 2025	Purchases during the year	Bonus / right issue during the year	Sales during the year	As at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company **
							Net assets of the Fund **	Total investments of the Fund **	
.....Number of shares held.....						(Rupees in '000)	----- % -----		
ENGINEERING									
Mughal Iron and Steel Industries Limited	4,879	-	-	-	4,879	427	0.00	0.00	0.00
International Industries Limited	-	56,743	-	48,000	8,743	1,476	0.01	0.01	0.01
	4,879	56,743	-	48,000	13,622	1,903	0.01	0.01	
CHEMICAL									
Ghani Chemical Industries Limited	-	171,500	-	38,000	133,500	4,743	0.03	0.03	0.02
Ghani Global Holdings Limited	-	235,000	-	66,000	169,000	3,950	0.03	0.03	0.05
	-	406,500	-	104,000	302,500	8,693	0.06	0.06	
TEXTILE COMPOSITE									
Kohinoor Textile Mills Limited *	1,418,971	8,599,721	-	700,095	9,318,597	514,480	3.48	3.75	0.69
Nishat Mills Limited	2,641,664	1,369,928	-	2,307,508	1,704,084	269,007	1.82	1.96	0.48
Interloop Limited	84,229	4,061,055	-	347,373	3,797,911	408,427	2.77	2.98	0.27
	4,144,864	14,030,704	-	3,354,976	14,820,592	1,191,914	8.07	8.69	
PAPER, BOARD AND PACKAGING									
Cherat Packaging Limited	2	-	-	-	2	-	-	-	0.00
Roshan Packages Limited	164,500	-	-	50,000	114,500	1,894	0.01	0.01	0.08
Synthetic Products Enterprises Limited *	16,637	-	-	-	16,637	861	0.01	0.01	0.01
Century Paper & Board Mills Limited	430,500	723,290	-	79,000	1,074,790	32,104	0.22	0.23	0.27
	611,639	723,290	-	129,000	1,205,929	34,859	0.24	0.25	
PHARMACEUTICALS									
Abbott Laboratories (Pakistan) Limited	82,844	19,970	-	21,694	-	79,854	0.54	0.58	0.08
The Searle Company Limited	385,974	-	49,871	427,321	8,524	806	0.01	0.01	0.00
Haleon Pakistan Limited	87,818	35,047	-	122,865	-	-	-	-	-
AGP Limited	391,637	53,000	-	205,153	239,484	49,413	0.33	0.36	0.09
IBL HealthCare Limited	701	-	105	-	806	43	0.00	0.00	0.00
GlaxoSmithKline Pakistan Limited	367,847	186,400	-	327,709	226,538	83,876	0.57	0.61	0.07
Citi Pharma Ltd.	1	-	-	-	1	-	-	-	-
	1,316,822	294,417	49,976	1,104,742	556,473	213,992	1.45	1.56	
TECHNOLOGY AND COMMUNICATION									
Avanceon Limited	65,572	-	-	44,000	21,572	777	0.01	0.01	0.01
Systems Limited *	1,467,335	3,517,050	-	540,700	4,443,685	653,622	4.43	4.77	0.30
	1,532,907	3,517,050	-	584,700	4,465,257	654,399	4.43	4.77	
POWER GENERATION AND DISTRIBUTION									
K-Electric Limited *	1,100,000	-	-	1,100,000	-	-	-	-	-
Hub Power Company Limited	2,735,000	212,100	-	1,669,717	1,277,383	298,205	2.02	2.17	0.10
	3,835,000	212,100	-	2,769,717	1,277,383	298,205	2.02	2.17	
COMMERCIAL BANKS									
Meezan Bank Limited	1,073,940	1,692,992	-	259,300	2,507,632	1,295,087	8.77	9.44	0.14
FOOD AND PERSONAL CARE PRODUCTS									
Al-Shaheer Corporation Limited	18,378	-	-	-	18,378	248	0.00	0.00	0.00
At-Tahur Limited	2	-	-	-	2	-	-	-	0.00
Unity Foods Limited	-	3,441,109	-	3,441,109	-	-	-	-	-
Barkat Frisian Agro Limited *	375,954	-	-	308,000	67,954	2,476	0.02	0.02	0.02
National Foods Limited *	-	12,600	-	6,300	6,300	2,441	0.02	0.02	0.00
	394,334	3,453,709	-	3,755,409	92,634	5,165	0.03	0.04	
TRANSPORT									
Pakistan National Shipping Corporation Limited	301,055	-	-	20,050	281,005	182,476	1.24	1.33	0.14
Pakistan International Bulk Terminal Limited	9,652,500	659,500	-	5,485,500	4,826,500	92,090	0.62	0.67	0.27
	9,953,555	659,500	-	5,505,550	5,107,505	274,566	1.86	2.00	
CABLE & ELECTRICAL GOODS									
Emco Industries Limited	8,883	-	-	8,883	-	-	-	-	-
Pak Elektron Limited	3,040,161	1,594,000	-	4,634,161	-	-	-	-	-
	3,049,044	1,594,000	-	4,643,044	-	-	-	-	

Name of the investee company	As at July 01, 2025	Purchases during the year	Bonus / right issue during the year	Sales during the year	As at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company **
							Net assets of the Fund **	Total investments of the Fund **	
	Number of shares held.....					(Rupees in '000)	----- % -----		
INV. BANKS / INV. COS. / SECURITIES COS.									
Engro Holdings Limited	1,448,184	1,598,237	-	639,036	2,407,385	692,653	4.69	5.05	0.20
REFINERY									
Attock Refinery Limited	5,800	359,285	-	201,250	163,835	139,370	0.94	1.02	0.15
Total as at June 30, 2026	55,152,162	59,910,491	49,976	44,680,707	70,431,922	13,717,119	92.88	99.99	
Carrying value as at June 30, 2026						11,207,080			
Market value as at June 30, 2025						7,472,668			
Carrying value as at June 30, 2025						5,616,124			

** "0.00%" due to rounding off

- 6.1.1** Investments include shares with a market value of Rs. 698.951 million (2025: Rs. 567.878 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing the settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007, issued by the Securities and Exchange Commission of Pakistan.

	2026		2025	
	Quantity	Market Value Rupees in '000	Quantity	Market Value Rupees in '000
The Hub Power Company Limited	150,000	35,018	100,000	13,781
Nishat Mills Limited	79,000	12,471	79,000	9,945
Oil & Gas Development Company Limited	500,000	167,435	500,000	110,280
Pakistan Petroleum Limited	1,995,000	484,027	1,995,000	339,489
Pakistan State Oil Company Limited	-	-	250,000	94,383
	2,724,000	698,951	2,924,000	567,878

- 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 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. 226.002 million (2025: 47.425 million) which are not deposited in the CDC account of the Fund.

		2026	2025
	Note	----- (Rupees in '000) -----	
6.2 Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'			
Market value of investments	6.1	13,717,119	7,472,668
Less: carrying value of investments		(11,207,080)	(5,616,124)
		<u>2,510,039</u>	<u>1,856,544</u>
7 PROFIT RECEIVABLE			
Profit receivable on saving accounts		<u>1,489</u>	<u>2,331</u>
8 ADVANCE, DEPOSITS AND PREPAYMENT			
Advance tax	8.1	4,476	4,476
Security deposits with:			
- National Clearing Company of Pakistan Limited		2,530	2,530
- Central Depository Company of Pakistan Limited		103	103
Prepaid Mutual Fund Rating fee		198	180
		<u>7,307</u>	<u>7,289</u>

- 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 section 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 May 12, 2015 which requires every withholding agent to withhold income tax at the applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on dividends and profit on bank deposits as at June 30, 2026 amounts to Rs. 4.476 million (June 30, 2025: Rs. 4.476 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.



9	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2026	2025
			----- (Rupees in '000) -----	-----
	Management remuneration	9.1	33,243	22,548
	Sindh Sales Tax on management remuneration	9.2	4,987	3,382
	Reimbursement of selling and marketing expenses	9.3	-	2,289
	Sindh Sales Tax on reimbursement of selling and marketing expenses		-	343
	Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	-	2,715
	Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services		-	407
	Sales load and transfer load including Sindh Sales Tax		9,864	11,639
	ADC payable including Sindh Sales Tax		872	449
	Other payable		20	20
			<u>48,986</u>	<u>43,792</u>

- 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 is entitled to remuneration not exceeding 3.00% per annum of the average daily net assets, applicable to "Equity Scheme", 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 3.00% of the daily net assets of the Fund.

2025:

- From July 01, 2024 to January 12, 2025 at the rate of 2.50% of the daily net assets of the Fund.
- From January 13, 2025 to June 30, 2025 at the rate of 3.58% of the daily net assets of the Fund.

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

- 9.2** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from July 01, 2011. During the year, Sindh Sales Tax at the rate of 15% (2025: 15%) was charged on management remuneration and sales load.
- 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 - TRUSTEE			
Trustee remuneration	10.1	1,190	712
Sindh Sales Tax on Trustee remuneration	10.2	179	107
		<u>1,369</u>	<u>819</u>

- 10.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of Trust Deed. During the year, Trustee has charged its tariff 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	Rs. 2.0 million plus 0.10% per annum of net assets

The remuneration is paid to the Trustee monthly in arrears.

- 10.2** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from July 01, 2011. During the year, Sindh Sales Tax at the rate of 15% (2025: 15%) was charged on trustee remuneration.

		2026	2025
	Note	----- (Rupees in '000) -----	-----
11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Fee payable	11.1	<u>1,053</u>	<u>598</u>

- 11.1** Under the provisions of the NBFC Regulations, a collective scheme categorised as an ""Equity Scheme"" is required to pay fee to SECP 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.

		2026	2025
	Note	----- (Rupees in '000) -----	-----
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Brokerage fee payable		6,822	2,557
Federal excise duty payable on remuneration of the management company	12.1	8,209	8,209
Federal excise duty payable on sales load		2,327	2,327
Auditors' remuneration payable		834	720
Settlement charges payable		223	47
Withholding tax payable		9,671	34,752
Printing charges payable		73	80
Capital gain tax payable		5,920	10,227
Bank charges payable		137	181
Professional charges payable		150	87
Charity payable	12.2	29,216	18,791
Shariah Advisor fee payable		745	1,478
		<u>64,327</u>	<u>79,456</u>

- 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 interalia 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. 8.209 million (2025: Rs. 8.209 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.0144 (2025: Re. 0.0208) 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. 20.894 million (2025: Rs. 17.220 million) was excluded from dividend income in the books of the Fund and Rs. 10.469 million was disbursed to the charitable / welfare organizations.

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 beginning of the year	393,774,831	217,412,473
Add: Units issued during the year	1,212,695,805	848,954,963
Less: Units redeemed during the year	(1,038,209,724)	(672,592,605)
Total units in issue at end of the year	<u>568,260,912</u>	<u>393,774,831</u>

15 AUDITORS' REMUNERATION

Annual audit fee	579	526
Half yearly review fee	277	252
Shari'ah audit fee	185	311
Other income certification	115	105
Out of pocket expenses including government levy	217	224
	<u>1,373</u>	<u>1,418</u>

16 TAXATION

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

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

17 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 "Equity 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 "Shariah Compliant Equity Scheme".

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 19.1** Connected persons includes NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, any entity in which the Management Company, its CISs or their connected persons have a material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 19.2** Transactions with connected persons / related parties are 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.
- 19.3** Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

- 19.4** The details of significant transactions and balances with connected persons at year end except those disclosed elsewhere in these financial statements are as follows:

19.5	Details of transactions with related parties / connected persons during the year are as follows:	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
	NBP Fund Management Limited - Management Company		
	Remuneration of NBP Fund Management Limited - Management Company	345,446	186,874
	Sindh Sales Tax on remuneration of Management Company	51,817	28,031
	Reimbursement of selling and marketing expenses	-	22,211
	Sindh Sales Tax on reimbursement of selling and marketing expenses	-	3,332
	Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	-	3,484
	Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	-	523
	Sales load and transfer load including Sindh Sales Tax	62,095	45,724
	ADC charges including Sindh Sales Tax	1,196	589
	Amount received against issuance to unitholders ***	-	24,216
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	12,515	6,938
	Sindh Sales Tax on Trustee remuneration	1,877	1,041
	Settlement charges	1,506	983
	Employees of the Management Company		
	Units issued / transferred in: 52,499,100 units (2025: 49,925,671 units)	1,250,125	952,726
	Units redeemed / transferred out: 49,984,741 units (2025: 49,327,299 units)	1,193,572	973,126
	Dividend re-invest: 25,822 units (2025: 239,835 units)	667	4,616
	Haider Amjad - Shareholder of the Management Company		
	Units issued / transferred in: 502,970 units (2025: 430,567 units)	11,689	8,693
	Units redeemed / transferred out: 368,620 units (2025: 329,355 units)	8,914	7,167
	Dividend re-invest: 501 units (2025: 2,303 units)	13	44
	Rohma Amjad - Shareholder of the Management Company ****		
	Units issued / transferred in: Nil units (2025: 1 unit)	-	-
	Dividend re-invest: Nil units (2025: 3 units)	-	-
	Umar Ahsan Khan - Director		
	Units held: 199,992 units (2025: Nil units)	4,000	-
	Dividend re-invest: 1,465 units (2025: Nil units)	38	-
	National Bank of Pakistan - Parent Company		
	Profit on bank balance	9	42
	International Steel Limited - Common Directorship *		
	Shares sold: Nil shares (2025: 151,625 shares)	-	12,271
	K-Electric Limited - Common Directorship *		
	Shares purchased: Nil shares (2025: 1,100,000 shares)	-	5,412



	2026 ----- (Rupees in '000) -----	2025 -----
Fauji Fertilizers Company Limited - Common Directorship *		
Shares purchased: Nil shares (2025: 982,116 shares)	-	226,130
Shares sold: Nil shares (2025: 84,600 shares)	-	30,332
Dividend Income	-	25,290
NBP Fund Management Limited - Employees' Provident Fund		
Units issued / transferred in: Nil units (2025: 279,179 units)	-	5,127
Units redeemed / transferred out: 144,494 units (2025: 410,312 units)	3,610	8,217
Dividend re-invest: 3,484 units (2025: 41,906 units)	90	800
Portfolio managed by Management Company		
Units issued / transferred in: 38,274,910 units (2025: 38,434,603 units)	903,293	704,093
Units redeemed / transferred out: 40,705,806 units (2025: 19,978,792 units)	998,831	399,546
Dividend re-invest: 189,873 units (2025: 1,075,509 units)	4,903	20,556
Taurus Securities Limited - Subsidiary of parent company		
Brokerage charges	1,959	1,150
Zaheer Iqbal - Chief Financial Officer *		
Units issued / transferred in: Nil units (2025: 8,159 units)	-	145
Dividend re-invest: Nil units (2025: 4,234 units)	-	81
NBP Stock Fund		
Shares purchased: 1,822,000 (2025: Nil shares)	168,805	-
Shares sold: 550,000 (2025: Nil shares)	83,606	-

19.6 Amounts / balances outstanding as at year end are as follows:

NBP Fund Management Limited - Management Company		
Management remuneration payable	33,243	22,548
Sindh Sales Tax on management remuneration payable	4,987	3,382
Reimbursement of selling and marketing expenses payable	-	2,289
Sindh Sales Tax on reimbursement of selling and marketing expenses payable	-	343
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services payable	-	2,715
Sindh Sales Tax on reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services payable	-	407
Sales load and transfer load including Sindh Sales Tax	9,864	11,639
ADC payable including Sindh Sales Tax	872	449
Other payable	20	20
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	1,190	712
Sindh Sales Tax on Trustee remuneration	179	107
Security deposit	103	103
Employees of the Management Company		
Units held: 7,953,922 units (2025: 5,413,629 units)	206,725	103,618
Taurus Securities Limited		
Brokerage payable	860	358
K-Electric Limited - Common Directorship *		
Shares held: Nil shares (2025: 1,100,000 shares)	-	5,775



	2026 ----- (Rupees in '000) -----	2025 -----
Fauji Fertilizer Company Limited - Common Directorship * Shares held: Nil shares (2025: 897,516 shares)	-	352,194
NBP Fund Management Limited - Employees' Provident Fund Units held: 391,965 units (2025: 532,974 units)	10,187	10,201
Portfolio managed by Management Company Units held: 28,003,423 units (2025: 30,244,457 units)	727,817	578,886
National Bank of Pakistan - Parent Company Bank balance Profit receivable	2,760 25	5,450 17
Haider Amjad - Shareholder of the Management Company Units held: 238,366 units (2025: 103,515 units)	6,195	1,981
Rohma Amjad - Shareholder of the Management Company **** Units held: 4 units (2025: 4 units)	-	-
Zaheer Iqbal - Chief Financial Officer * Units held: Nil units (2025: 38,206 units)	-	732
Umar Ahsan Khan - Director Units held: 201,458 units (2025: Nil units)	5,236	-

* Current year figures have not been presented as the person is not a related party / connected person as at June 30, 2026.

** Previous year figures have not been presented as the person was not a related party / connected person as at June 30, 2025.

*** This represents the amount reimbursed by the Management Company in the form of dividend to identified unit holders of the Fund in relation to the reversal of the excess amount charged against reimbursement of selling and marketing expenses as per the direction of Securities and Exchange Commission of Pakistan (SECP).

**** Nil due to rounding off

20 FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

	At amortised cost	As at June 30, 2026 At fair value through profit or loss	Total
Bank balances	1,161,927	-	1,161,927
Investments	-	13,717,119	13,717,119
Profit receivable	1,489	-	1,489
Receivable from funds under management by Management Company against conversion of units	121,743	-	121,743
Deposits	2,633	-	2,633
	<u>1,287,792</u>	<u>13,717,119</u>	<u>15,004,911</u>

Financial Liabilities

Payable to NBP Fund Management Limited - Management Company	48,986	-	48,986
Payable to Central Depository Company of Pakistan Limited - Trustee	1,369	-	1,369
Payable against conversion and redemption of units	41,748	-	41,748
Payable against purchase of investments	82,832	-	82,832
Accrued expenses and other liabilities	38,200	-	38,200
	<u>213,135</u>	<u>-</u>	<u>213,135</u>
Net assets attributable to unitholders	<u>14,769,270</u>	<u>-</u>	<u>14,769,270</u>



	As at June 30, 2025		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Bank balances	194,951	-	194,951
Investments	-	7,472,668	7,472,668
Profit receivable	2,331	-	2,331
Receivable from funds under management by Management Company against conversion of units	272,718	-	272,718
Receivable against sale of investments	138,041	-	138,041
Deposits	2,633	-	2,633
	<u>610,674</u>	<u>7,472,668</u>	<u>8,083,342</u>
Financial liabilities			
Payable to NBP Fund Management Limited - Management Company	43,792	-	43,792
Payable to Central Depository Company of Pakistan Limited - Trustee	819	-	819
Payable against conversion and redemption of units	426,401	-	426,401
Accrued expenses and other liabilities	23,941	-	23,941
	<u>494,953</u>	<u>-</u>	<u>494,953</u>
Net assets attributable to unitholders	<u>7,536,932</u>	<u>-</u>	<u>7,536,932</u>

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 15.179 million (2025: Rs 1.729 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 - 11.50	1,122,113	-	39,814	1,161,927
Investments		-	-	13,717,119	13,717,119
Profit receivable		-	-	1,489	1,489
Receivable from funds under management by Management Company against conversion of units		-	-	121,743	121,743
Deposits		-	-	2,633	2,633
		1,122,113	-	13,882,798	15,004,911
Financial liabilities					
Payable to NBP Fund Management Limited - Management Company		-	-	48,986	48,986
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	1,369	1,369
Payable against conversion and redemption of units		-	-	41,748	41,748
Payable against purchase of investments		-	-	82,832	82,832
Accrued expenses and other liabilities		-	-	38,200	38,200
Net assets attributable to unitholders		-	-	14,769,270	14,769,270
		-	-	14,982,405	14,982,405
On-balance sheet gap		1,122,113	-	(1,099,607)	22,506
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		1,122,113	-	-	-
Cumulative interest rate sensitivity gap		1,122,113	1,122,113	1,122,113	-



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 - 10.75	172,930	-	-	22,021	194,951
Investments		-	-	-	7,472,668	7,472,668
Profit receivable		-	-	-	2,331	2,331
Receivable from funds under management by Management Company against conversion of units					272,718	272,718
Receivable against sale of investments		-	-	-	138,041	138,041
Deposits		-	-	-	2,633	2,633
		172,930	-	-	7,910,412	8,083,342
Financial Liabilities						
Payable to NBP Fund Management Limited - Management Company		-	-	-	43,792	43,792
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	819	819
Payable against conversion and redemption of units		-	-	-	426,401	426,401
Accrued expenses and other liabilities		-	-	-	23,941	23,941
Net assets attributable to unitholders		-	-	-	7,536,932	7,536,932
		-	-	-	8,031,885	8,031,885
On-balance sheet gap		172,930	-	-	(121,473)	51,457
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		172,930	-	-		
Cumulative interest rate sensitivity gap		172,930	172,930	172,930		

(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. 685.856 million (2025: Rs. 373.633 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	65,545	165,617
AA+	121,033	337
AA-	226,757	28,963
A-	1,144,414	-
Suspended / No Rating	-	34
	<u>1,557,749</u>	<u>194,951</u>

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

	June 30, 2026			
	Total	Upto three months	Over three months and upto one year	Over one year
Financial liabilities	----- (Rupees in '000) -----			
Payable to NBP Fund Management Limited - Management Company	48,986	48,986	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	1,369	1,369	-	-
Payable against conversion and redemption of units	41,748	41,748	-	-
Payable against purchase of investments	82,832	82,832	-	-
Accrued expenses and other liabilities	38,200	38,200	-	-
	<u>213,135</u>	<u>213,135</u>	<u>-</u>	<u>-</u>
Net assets attributable to unitholders	<u>14,769,270</u>	<u>14,769,270</u>	<u>-</u>	<u>-</u>
	June 30, 2025			
	Total	Upto three months	Over three months and upto one year	Over one year
Financial liabilities	----- (Rupees in '000) -----			
Payable to NBP Fund Management Limited - Management Company	43,792	43,792	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	819	819	-	-
Payable against conversion and redemption of units	426,401	426,401	-	-
Accrued expenses and other liabilities	23,941	23,941	-	-
	<u>494,953</u>	<u>494,953</u>	<u>-</u>	<u>-</u>
Net assets attributable to unitholders	<u>7,536,932</u>	<u>7,536,932</u>	<u>-</u>	<u>-</u>

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					
On-balance sheet financial instruments		(Rupees in '000)					
Financial assets measured at fair value							
Investment - Listed equity securities		13,717,119	-	13,717,119	13,717,119	-	-
Financial assets not measured at fair value							
Bank balances	23.1	-	1,161,927	1,161,927			
Profit receivable		-	1,489	1,489			
Receivable from funds under management by Management Company against conversion of units		-	121,743	121,743			
Deposits		-	2,633	2,633			
		-	1,287,792	1,287,792			
Financial liabilities not measured at fair value							
Payable to NBP Fund Management Limited - Management Company	23.1	-	48,986	48,986			
Payable to Central Depository Company of Pakistan Limited - Trustee		-	1,369	1,369			
Payable against conversion and redemption of units		-	41,748	41,748			
Payable against purchase of investments		-	82,832	82,832			
Accrued expenses and other liabilities		-	38,200	38,200			
Net assets attributable to unitholders	23.2	-	14,769,270	14,769,270			
		-	14,982,405	14,982,405			



		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		7,472,668	-	7,472,668	7,472,668	-	-	7,472,668
Financial assets not measured at fair value								
23.1	Bank balances	-	194,951	194,951				
	Profit receivable	-	2,331	2,331				
	Receivable from funds under management by Management Company against conversion of units	-	272,718	272,718				
	Receivable against sale of investments	-	138,041	138,041				
	Deposits	-	2,633	2,633				
		-	610,674	610,674				
Financial liabilities not measured at fair value								
23.1	Payable to NBP Fund Management Limited - Management Company	-	43,792	43,792				
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	819	819				
	Payable against conversion and redemption of units	-	426,401	426,401				
	Accrued expenses and other liabilities	-	23,941	23,941				
23.2	Net assets attributable to unitholders	-	7,536,932	7,536,932				
		-	8,031,885	8,031,885				

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.	9.21
2	Integrated Equities Limited	6.28
3	Insight Securities (Pvt.) Limited	5.40
4	Sherman Securities (Pvt) Limited	4.00
5	Arif Habib Securities Limited	3.88
6	J.S. Global Capital Ltd.	3.87
7	Topline Securities Limited	3.71
8	Aqeel Karim Dehdi Securities (Pvt) Limited	3.55
9	Foundation Securities	3.49
10	Chase Securities Pakistan (Pvt) Limited	3.47



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

S. No	Particulars	Percentage (%)
1	Taurus Securities Ltd.	8.86
2	Integrated Equities Limited	5.95
3	Insight Securities (Pvt.) Limited	5.73
4	Aba Ali Habib Securities (Pvt.) Limited	4.67
5	Sherman Securities (Pvt.) Limited	4.48
6	Ktrade Securities Limited (Formerly Khadim Ali Shah Bukhari Securities (Pvt.) Limited)	3.76
7	D.J.M Securities (Pvt.) Limited	3.68
8	J.S. Global Capital Ltd.	3.53
9	Aqeel Karim Dehdi Securities (Pvt.) Limited	3.49
10	Arif Habib Securities Limited	3.48

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	MBA / Doctorate in Business Administration / CFA	38
Mr. Asim Wahab Khan	Chief Investment Officer	CFA	20
Mr. Hassan Raza	Head of Equity	ACCA / BSC / CFA	15
Mr. Muhammad Waseem	Head of Research	CFA	11

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

- NAFA Islamic Pension Fund
- NBP Balanced Fund
- NBP Financial Sector Fund

26 PATTERN OF UNIT HOLDING

Category	As at June 30, 2026		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage investment %
Individuals	8,465	8,042,311	54.45
Insurance Companies	4	1,518,251	10.28
Retirement Funds	65	4,176,911	28.28
Banks and DFI	1	11,700	0.08
Associated Company & Directors	2	15,423	0.10
Public Limited Companies	3	144,123	0.98
Others	66	860,551	5.83
	8,606	14,769,270	100.00



Category	As at June 30, 2025		
	Number of	Investment	Percentage
	unit holders	amount	investment
		(Rupees in '000)	%
Individuals	5,819	3,042,847	40.37
Insurance Companies	2	619,805	8.22
Retirement Funds	69	2,875,536	38.15
Banks and DFI	1	8,531	0.11
Associated Company & Directors	1	10,201	0.14
Public Limited Companies	4	130,203	1.73
Others	64	849,809	11.28
	5,960	7,536,932	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 directors	Number of meetings			Meetings not attended
	Held / applicable	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	-	
Khalid Mansoor *	3	3	-	
Saad Amanullah Khan *	3	3	-	111th Meeting
Umar Ahsan Khan	6	6	-	
Tahir Jawaid **	3	3	-	
Saad Muzaffar Waraich **	3	2	1	
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 ended (Rs '000)	14,769,270	7,536,932	3,006,766	2,118,428	5,188,044	8,203,222
Net income / (loss) for the year ended (Rs '000)	3,079,810	2,476,351	1,285,631	(89,084)	(1,101,775)	1,791,287
Net Asset Value per unit at the year (Rs)	25.9903	19.1402	13.8298	10.3856	10.6059	12.7350
Offer Price per unit	26.8870	19.8005	14.2986	10.7377	10.9654	13.1667
Redemption Price per unit	25.9903	19.1402	13.8298	10.3856	10.6059	12.7350
Ex - Highest offer price per unit (Rs.)	28.9953	19.8732	14.3664	11.6880	16.8831	13.6534
Ex - Lowest offer price per unit (Rs.)	19.7281	11.4602	8.2227	9.8890	10.7550	9.8921
Ex - Highest redemption price per unit (Rs.)	28.0283	19.2104	13.8954	11.3048	13.3802	13.2057
Ex - Lowest redemption price per unit (Rs.)	19.0702	11.0780	7.9531	9.5648	10.4024	9.5678
Opening Nav of Fiscal Year	18.9500	11.6663	7.9545	10.6059	12.7350	9.3471
Total return of the fund	37.15%	64.06%	73.86%	-2.08%	-16.72%	36.25%
Capital growth	36.15%	45.52%	43.30%	-2.08%	-16.72%	35.00%
Income distribution as a % of ex nav	1.38%	18.54%	30.56%			1.24%
Income distribution as a % of par value	2.60%	34.59%	42.17%			1.62%
Distribution						
Interim distribution per unit	0.2597	3.4587	4.2174	-	-	0.1619
Final distribution per unit				-	-	
Distribution Dates						
Interim	29-Jun-26	27-Jun-25	28-Jun-24			25-Jun-21
Final						
Average annual return of the fund (launch date January 09, 2015)						
(Since inception to June 30, 2026)	15.53%					
(Since inception to June 30, 2025)		13.65%				
(Since inception to June 30, 2024)			9.33%			
(Since inception to June 30, 2023)				3.51%		
(Since inception to June 30, 2022)				4.29%	4.29%	
(Since inception to June 30, 2021)						7.97%
(Since inception to June 30, 2020)						
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 Stock Fund**, duly approved by Board of Directors of the Management Company, is available on the website of NBP Fund Management Limited i.e. www.nbpfunds.com. A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

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

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