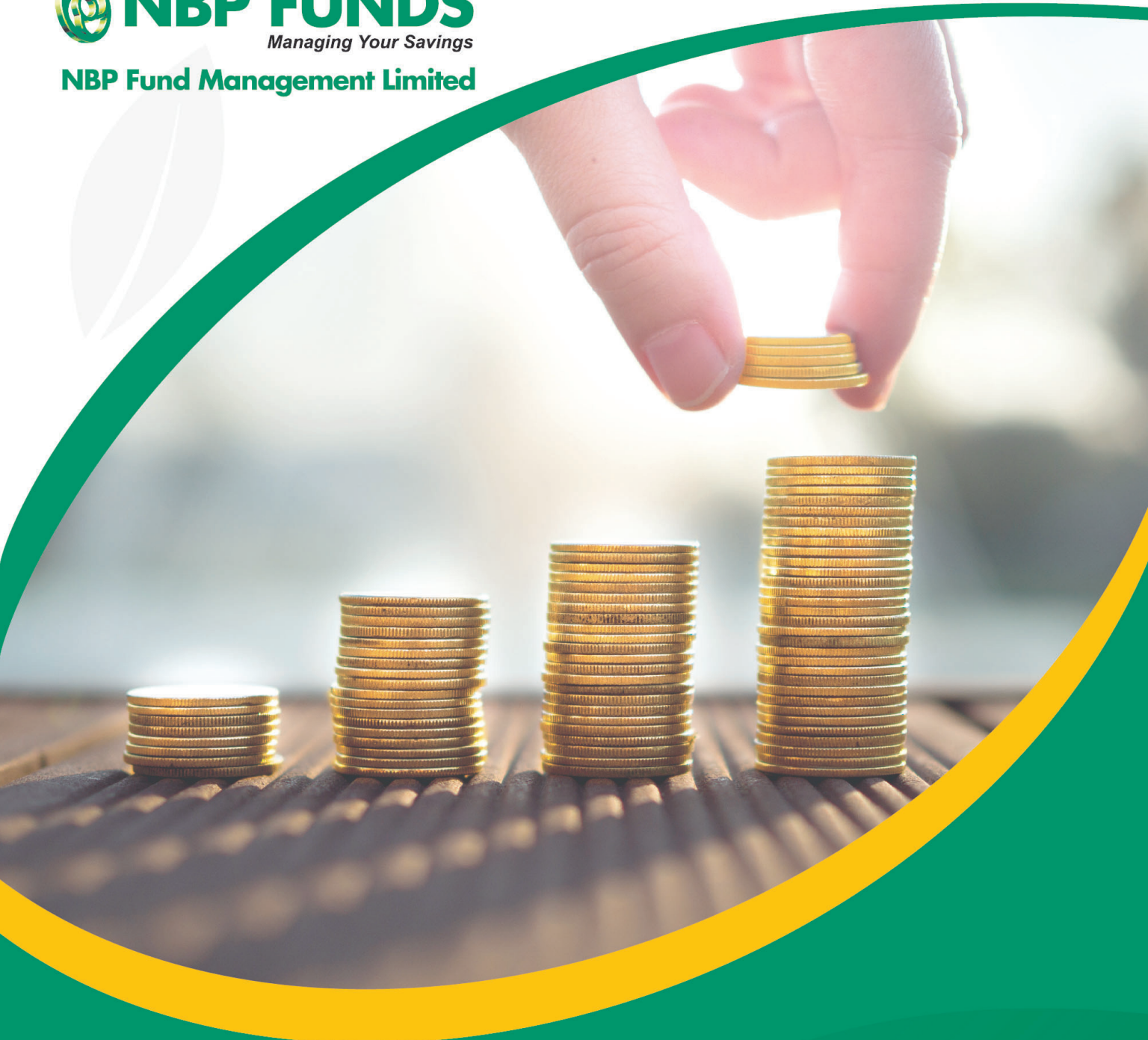




Managing Your Savings

NBP Fund Management Limited



NBP INCOME OPPORTUNITY FUND

ANNUAL REPORT
JUNE 30, 2025

AM1
Rated by PACRA

MISSION STATEMENT

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



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Faisal Ahmed	Director
Mr. Umar Ahsan Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Zaheer Iqbal

Audit & Risk Committee

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

Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Faisal Ahmed	Member

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Faisal Ahmed	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited	Habib Metropolitan Bank Limited
Askari Bank Limited	National Bank of Pakistan
Bank Alfalah Limited	Samba Bank Limited
MCB Bank Limited	Zarai Taraqati Bank Limited
JS Bank Limited	MCB Islamic Bank Limited
Meezan Bank Limited	Al Baraka Bank Pakistan Limited
Habib Bank Limited	
United Bank Limited	
Bank Al Habib Limited	

Faysal Bank Limited
Silk Bank Limited
Soneri Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
Dubai Islamic Bank Limited
Khushhali Bank Limited
Bankislami Pakistan Limited
NRSP Microfinance Bank Limited
HBL Microfinance Bank Limited
Mobilink Microfinance Bank Limited
The Bank of Khyber

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
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.nbpfund.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



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Saad Amanullah Khan
Director



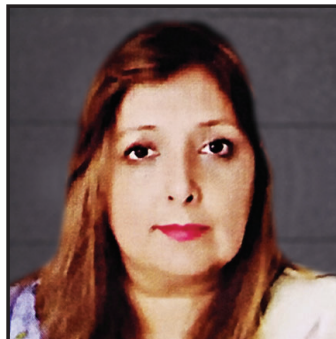
Mr. Faisal Ahmed
Director



Mr. Ali Saigol
Director



Mr. Umar Ahsan Khan
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer



Mr. Ozair Ali Khan
Chief Technology Officer



Mr. Zaheer Iqbal, ACA FPFA
Chief Financial Officer



Mr. Raza Jafri
Head of Portfolio &
Investment Advisory



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Hassan Raza, CFA
Head of Equity



Mr. Waheed Abidi
Head of Internal Audit



Mr. Mustafa Farooq
Head of Compliance,
Risk & Legal



Mr. Muhammad Waseem
Head of Research

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the 20th Annual Report of **NBP Income Opportunity Fund (NIOF)** for the year ended June 30, 2025.

Fund's Performance

NIOF is categorized as an Income Scheme and has been awarded stability rating of 'A+ (f)' by PACRA. The trading activity in corporate bonds remained thin, with few fresh issuances of TFCs and Sukuks, mostly in the Textile, Chemical, and Power & Distribution sectors. During FY25, Pakistan's Monetary Policy Committee (MPC) reduced the Policy Rate significantly from 20.5% to 11%, responding to a sustained decline in inflation, and considerable improvement on the external front. This easing cycle was underpinned by stable global commodity prices, moderation in food and energy inflation, softening market yields, and strong remittance inflows. The country's FX reserves increased from \$9.39 billion in July 2024 to \$14.31 billion by the end of FY25. This surge was driven by multilateral inflows and disciplined macroeconomic management particularly on the external front.

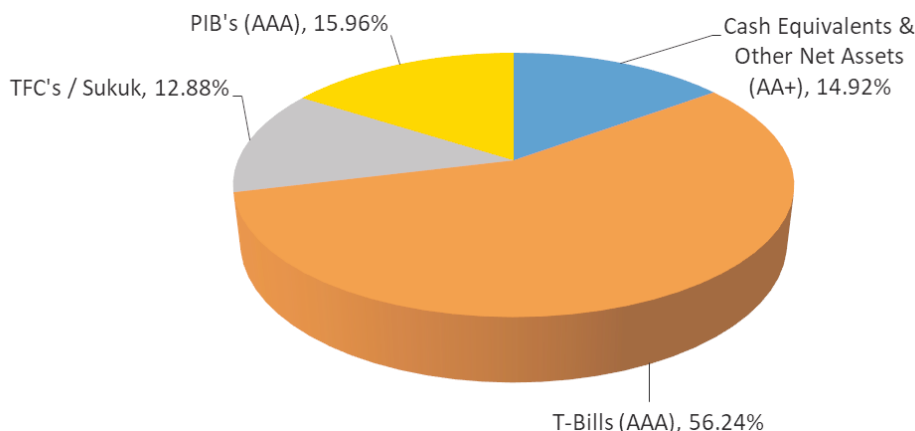
Real GDP grew by 2.7% in FY25, falling short of the government's target of 3.6%. Inflation averaged 4.5%, significantly below the budgeted target of 12%, driven by declining food and fuel prices, prudent monetary policy, and favorable base effect. Despite notable gains, the MPC maintained a cautious stance, flagging downside risks from tariff adjustments, global economic uncertainty, fiscal slippages, and challenges in revenue mobilization. The SBP emphasized the critical role of structural reforms, continued fiscal discipline, and coherent policy execution to reinforce stability and sustain the recovery into FY26.

The State Bank of Pakistan (SBP) conducted twenty-seven (27) T-Bill auctions, targeting approximately Rs. 15,335 billion against maturities totaling around Rs. 18,636 billion. Accepted bids amounted to a cumulative realization of roughly Rs. 16,000 billion, across 1-month to 12-months tenures. Besides, twelve (12) PIB-Fixed auctions, with bids accepted to a cumulative realization of roughly Rs. 3,479 billion. The yield trend showed a steady decline throughout the fiscal year, with short-term T-Bill cut-off rates falling from over 20% early in the year to around 11% by the latest auctions, and PIB rates also easing across tenures. The liquidity management strategy reflected market demand, maturity pressures, and policy alignment - acceptance patterns favored shorter tenures with selective PIB participation, particularly in 2 to 10-year tenures, while longer maturities (15 to 30 years) saw minimal or rejected interest.

The size of NBP Income Opportunity Fund has increased from Rs. 4,566 million to Rs. 8,843 million during the period (a significant increase of 94%). During the period, the unit price of the Fund has increased from Rs. 9.2357 (Ex-Div) on June 30, 2024 to Rs. 10.9033 on June 30, 2025, thus showing a return of 18.1% as compared to the benchmark return of 13.8% for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 1,294.21 million during the year. After deducting total expenses of Rs. 144.32 million, the net income is Rs. 1,149.89 million. The asset allocation of NIOF as on June 30, 2025 is as follows.

The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIOF.



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 17.71% of the opening ex-NAV (19.25% of the par value) during the year ended June 30, 2025.

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 A.F. Ferguson & Co., 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 Yousuf Adil Chartered Accountants, for appointment for the year ending June 30, 2026.

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 eight 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 24 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, 2025, the Board included:

Category	Names
Independent Directors	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Umar Ahsan Khan
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Faisal Ahmed 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: August 21, 2025
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 جون 2025ء کو ختم ہونے والے سال کے لئے NBP اہم پرچوٹی فنڈ (NIOF) کی بیسویں سالانہ رپورٹ پیش کرتے ہیں۔

فنڈ کی کارکردگی

NIOF کی اہم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A+(f)' کی مستحکم ریٹنگ دی گئی ہے۔

کارپوریٹ بانڈز میں تجارتی سرگرمی سست رہی، تاہم، مارکیٹ میں TFCs اور سٹاک کے چند، زیادہ تر نیکناسٹل، کمبیکل، اور پاور اینڈ ڈسٹری بیوشن کے شعبوں میں نئے اجراء کا مشاہدہ کیا گیا۔

مالی سال 2025 کے دوران، پاکستان کی مونیٹری پالیسی کمیٹی (MPC) نے پالیسی ریٹ میں نمایاں کمی کرتے ہوئے اسے 20.5% سے کم کر کے 11% کر دیا۔ یہ اقدام مہنگائی میں مسلسل کمی اور بیرونی شعبے میں خاطر خواہ بہتری کے ردعمل کے طور پر کیا گیا۔ اس نرمی کے سلسلے کو عالمی کموڈٹی قیمتوں میں استحکام، خوراک اور توانائی کی مہنگائی میں کمی، مارکیٹ شرح منافع کے نرم ہونے اور ترسیلات زر میں مضبوط اضافے نے سہارا دیا۔ ملک کے زرمبادلہ کے ذخائر جولائی 2024 میں 9.39 ارب ڈالر سے بڑھ کر مالی سال کے اختتام تک 14.31 ارب ڈالر ہو گئے۔ یہ اضافہ کثیرالجہتی رقوم کی آمد اور خصوصاً بیرونی شعبے میں مؤثر ٹریڈ اور اکنامک نظم و ضبط کے باعث ممکن ہوا۔

مالی سال 2025 میں حقیقی جی ڈی پی میں 2.7% اضافہ ہوا، جو حکومت کے مقررہ ہدف 3.6% سے کم رہا۔ مہنگائی اوسطاً 4.5% رہی، جو بجٹ کے ہدف 12% سے نمایاں طور پر کم تھی۔ اس کمی کی بنیادی وجوہات خوراک اور ایندھن کی قیمتوں میں کمی جتنا مونیٹری پالیسی اور گزشتہ سال کے موافق اثرات (Base Effect) تھے۔ اگرچہ نمایاں بہتری ریکارڈ ہوئی، مگر ایم پی سی نے محتاط رویہ برقرار رکھا اور اس بات پر زور دیا کہ ٹریف ایڈسٹمنٹس، عالمی معاشی غیر یقینی صورتحال، مالیاتی کمزوریاں اور محصولات بڑھانے میں درپیش چیلنجز کمزور خطرات کا باعث بن سکتے ہیں۔ اسٹیٹ بینک نے اس بات پر زور دیا کہ مالی سال 2026 میں استحکام اور بحالی کے تسلسل کے لیے ساختی اصلاحات، مالیاتی نظم و ضبط اور مرابوط پالیسی عملدرآمد کلیدی اہمیت رکھتے ہیں۔

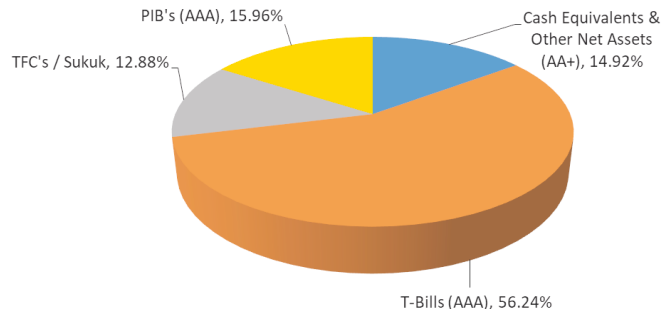
اسٹیٹ بینک آف پاکستان (SBP) نے مالی سال کے دوران 27 ٹی بلز کی نیلامیاں منعقد کیں، جن کا ہدف تقریباً 15,335 ارب روپے تھا، جبکہ اسی دوران تقریباً 18,636 ارب روپے کی چھوٹیز سامنے آئیں۔ منظور شدہ نیلامیوں کے ذریعے تقریباً 16,000 ارب روپے اکٹھے کیے گئے، جن کی مدت ایک ماہ سے بارہ ماہ تک رہی۔ اس کے علاوہ، بارہ (12) پی آئی بی مقررہ نیلامیاں، یولیوں کے ساتھ تقریباً 3,479 بلین روپے کی مجموعی وصولی کے لیے قبول کی گئیں۔ سال بھر شرح منافع میں بندرج کی دیکھنے کو ملی، اور مختصر مدتی ٹی بلز کے کٹ آف ریٹس سال کے آغاز میں 20% سے زائد سے کم ہو کر آخری نیلامی تک تقریباً 11% تک آگئے اور PIB شرحیں بھی تمام مدتوں میں کم ہو گئیں۔ لیکویڈیٹی مینجمنٹ کی حکمت عملی مارکیٹ کی طلب، چنگلی کے دباؤ، اور پالیسی کی صف بندی کی عکاسی کرتی ہے۔ قبولیت کے نمونوں نے منتخب PIB شرکت کے ساتھ مختصر مدت، خاص طور پر 2 سے 10 سالہ مدتوں میں حمایت کی، جب کہ طویل میچورٹی (15 سے 30 سال) میں کم سے کم یا صفر دلچسپی دیکھی گئی۔

موجودہ مدت کے دوران NBP اہم پرچوٹی فنڈ کا سائز 4,566 بلین روپے سے بڑھ کر 8,843 بلین روپے ہو گیا ہے (یعنی 94% کا نمایاں اضافہ)۔ اس مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2024 کو 9.2357 (EX-Div) روپے سے بڑھ کر 30 جون 2025 کو 10.9033 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے پنچ مارک 13.8% کے مقابلے میں 18.1% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

موجودہ مدت کے دوران فنڈ کو 1,294.21 بلین روپے کی مجموعی آمدنی سمائی ہے۔ 144.32 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1,149.89 بلین روپے ہے۔

30 جون 2025 کو NBP اہم پرچوٹی فنڈ کی ایسٹ ایلوکیشن حسب ذیل ہے:

درج ذیل چارٹ NIOF کی ہر ایک ذیلی کلاسوں کی ایسٹ ایلوکیشن اور اوسط کرڈٹ ریٹنگ کی نمائندگی کرتا ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2025 کے اختتام کے بعد اویڈیوٹنگ ex-NAV کا 17.71% (بنیادی قدر کا 19.25%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

تعمیر

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 کپٹل گین منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر آگرم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے فنڈ کے آڈیٹ کی حیثیت سے اپنی پانچ سالہ مدت مکمل کر لی ہے۔ نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینٹی ٹریڈ ریگولیشنز 2008 کے ریگولیشن 38(2)(h) کی ضرورت کے مطابق، تبدیلی ضروری ہوگی۔ بورڈ نے 30 جون 2026 کو ختم ہونے والے سال کی تقرری کے لیے میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کی تقرری کی منظوری دے دی ہے۔

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

1. مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلواور پونٹ 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۔ بشرا یاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی روائی دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلوئی نہیں کی گئی۔
8. پرفارمنس ٹیمیل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے آٹھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 27 میں ظاہر کی گئی ہے۔
11. پونٹ ہولڈنگ کا تفصیلی پیرین مالیاتی گوشواروں کے نوٹ 24 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 جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریٹ نہیں رکھتی۔ 30 جون 2025 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

نام	کیٹگری
1. جناب خالد منصور 2. جناب سعد امان اللہ خان 3. جناب عمر احسن خان	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
1. شیخ محمد عبدالواحد سیٹھی (چیئرمین) 2. جناب فیصل احمد 3. محترمہ مہناز سالار 4. جناب علی سیگل 5. جناب عمران ظفر	نان ایگزیکٹو ڈائریکٹرز



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 21 اگست 2025ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Income Opportunity Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 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 29, 2025

FUND MANAGER REPORT

NBP Income Opportunity Fund

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

Investment Objective of the Fund

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

Benchmark

75% six (6) months KIBOR + 25% six (6) months average of the highest rates on savings accounts of three (3) AA rated scheduled Banks as selected by MUFAP.*effective from Jan 01, 2025; Previously 6-Month KIBOR

Fund Performance Review

This is the 20th Annual report since the launch of the Fund on April 21, 2006 and is rated "A+(f)" by PACRA. The Fund size increased by 94% and stands at Rs. 8.8 billion as of June 30, 2025. The Fund's return since its inception is 10.0% p.a. versus the benchmark return of 11.3% p.a. During FY25, the Fund posted a return of 18.1% as compared to the benchmark return of 13.8%. The return of the Fund is net of management fee and all other expenses.

The Yield to Maturity of the Fund at year-end FY25 is around 12% while that of the TFC portfolio is 12.7%. The yield does not include potential recovery in fully provided TFCs (Face Value of around Rs 969 million), which is a potential upside for the Fund. The Fund's TFC portfolio allocation is fairly diversified with exposure to Banking, Financial Service, Sugar & Allied Industries and Power Generation & Distribution sectors.

The trading activity in corporate bonds remained thin, with few fresh issuances of TFCs and Sukuks, mostly in the Textile, Chemical, and Power & Distribution sectors. During FY25, Pakistan's Monetary Policy Committee (MPC) reduced the Policy Rate significantly from 20.5% to 11%, responding to a sustained decline in inflation, and considerable improvement on the external front. This easing cycle was underpinned by stable global commodity prices, moderation in food and energy inflation, softening market yields, and strong remittance inflows. The country's FX reserves increased from \$9.39 billion in July 2024 to \$14.31 billion by the end of FY25. This surge was driven by multilateral inflows and disciplined macroeconomic management particularly on the external front.

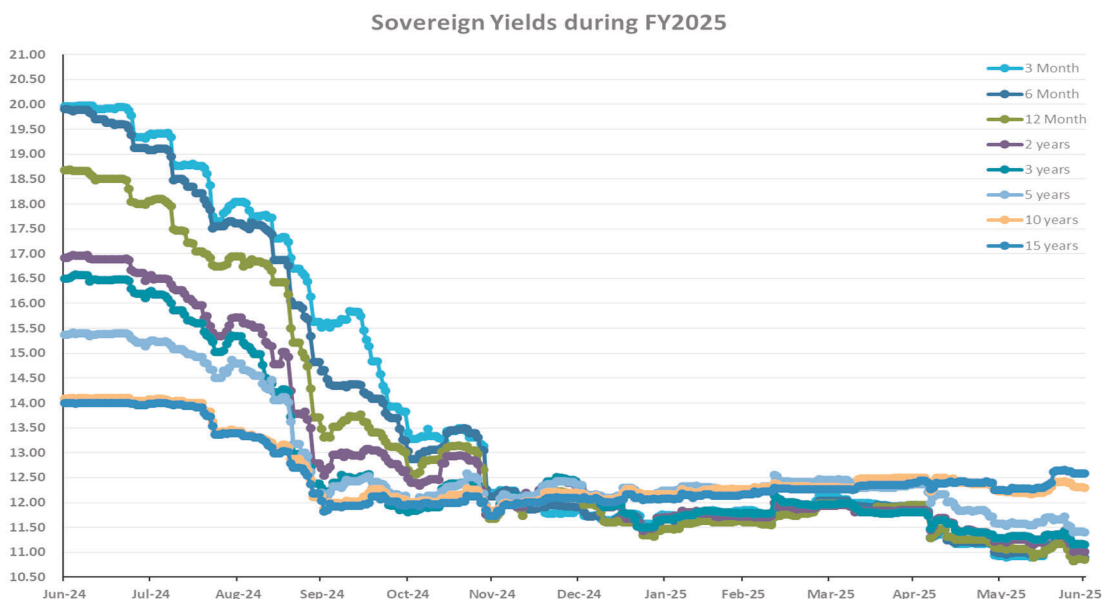
Real GDP grew by 2.7% in FY25, falling short of the government's target of 3.6%. Inflation averaged 4.5%, significantly below the budgeted target of 12%, driven by declining food and fuel prices, prudent monetary policy, and favorable base effect. Despite notable gains, the MPC maintained a cautious stance, flagging downside risks from tariff adjustments, global economic uncertainty, fiscal slippages, and challenges in revenue mobilization. The SBP emphasized the critical role of structural reforms, continued fiscal discipline, and coherent policy execution to reinforce stability and sustain the recovery into FY26.

The State Bank of Pakistan (SBP) conducted twenty-seven (27) T-Bill auctions, targeting approximately Rs. 15,335 billion against maturities totaling around Rs. 18,636 billion. Accepted bids amounted to a cumulative realization of roughly Rs. 16,000 billion, across 1-month to 12-months tenures. Besides, twelve (12) PIB-Fixed auctions, with bids accepted to a cumulative realization of roughly Rs. 3,479 billion. The yield trend showed a steady decline throughout the fiscal year, with short-term T-Bill cut-off rates falling from over 20% early in the year to around 11% by the latest auctions, and PIB rates also easing across tenures. The liquidity management strategy reflected market demand, maturity pressures, and policy alignment - acceptance patterns favored shorter tenures with selective PIB participation, particularly in 2 to 10-year tenures, while longer maturities (15 to 30 years) saw minimal or rejected interest.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-25	30-Jun-24
T-Bills	56.24%	48.91%
PIBs	15.96%	15.59%
GOP Ijara Sukuk	0.00%	6.03%
TFCs / Sukuk	12.88%	9.94%
Cash, Bank Placements & Other Assets	14.92%	19.53%
Total	100.00%	100.00%

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



Distribution for the Financial Year 2025

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Interim	1.9253	12.7966	10.8713

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investment before Provision	Provision held	Value of Investment after Provision	% Net Assets	% Gross Assets
Eden House Limited - Sukuk Revised 29-MAR-08 29-SEP-25	Sukuk	9,056,250	9,056,250	0	0.0%	0.0%
New Allied Electronics Limited II -Sukuk 03-DEC-07 03-DEC-30	Sukuk	44,148,934	44,148,934	0	0.0%	0.0%
Saudi Pak Leasing Company Limited - Revised II 13-MAR-	TFC	41,321,115	41,321,115	0	0.0%	0.0%
ANL PPTFC - 7 29-APR-21 29-APR-31	TFC	48,285,000	48,285,000	0	0.0%	0.0%
New Allied Electronics Limited (PP) 15-MAY-07 15-NOV-25	TFC	31,706,536	31,706,536	0	0.0%	0.0%
PACE Pakistan Limited - Revised 15-FEB-08 15-FEB-25	TFC	149,820,000	149,820,000	0	0.0%	0.0%
AgriTech Limited I - Revised II 29-NOV-07 29-NOV-25	TFC	147,335,961	147,335,961	0	0.0%	0.0%
Silk Bank Limited 10-AUG-17 10-AUG-25	TFC	49,930,000	49,930,000	0	0.0%	0.0%
Dewan Cement Limited (Pre-IPO) 17-JAN-08 17-JAN-30	Per IPO TFC	150,000,000	150,000,000	0	0.0%	0.0%
ANL ZERO COUPON - 8 29-APR-21 29-APR-31	TFC	195,465,000	195,465,000	0	0.0%	0.0%
Worldcall RS - III 10-APR-18 20-SEP-26	TFC	69,157,224	69,157,224	0	0.0%	0.0%
AgriTech Limited V 01-JUL-11 01-JAN-28	TFC	32,320,000	32,320,000	0	0.3%	0.0%
Total		968,546,020	968,546,020	0	0.0%	0.0%

Unit Holding Pattern of NBP Income Opportunity Fund as on June 30, 2025

Size of Units Holding	# of Unit Holders
0-0.99	1,078
1-1000	3,581
1001-5000	468
5001-10000	142
10001-50000	334
50001-100000	171
100001-500000	311
500001-1000000	57
1000001-5000000	73
5000001-10000000	16
10000001 -100000000	7
100000001-1000000000	1
100000001 & Above	0
Grand Total	6,239

During the period under question:

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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Income Opportunity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP Income Opportunity Fund (the Fund / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement 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, 2025, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the 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 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 Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)</p> <p>Bank balances and investments constitute the most significant component of the net asset value. The bank balances of the fund as at June 30, 2025 aggregated to Rs. 3,370.890 million and investments amounted to Rs. 7,523.808 million.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2025 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2025 and traced them to the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

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

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

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

From the matters communicated with 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

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Date: September 4, 2025

UDIN: AR202510061iRjkPdN5z

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2025

Assets	Note	2025 -----Rupees in '000-----	2024 -----Rupees in '000-----
Bank balances	4	3,370,890	865,558
Investments	5	7,523,808	3,674,322
Profit receivable	6	87,980	54,201
Receivable against conversion of units		2,306,016	165,581
Deposits, prepayments and other receivables	7	12,890	13,922
Total assets		13,301,584	4,773,584
Liabilities			
Payable to NBP Fund Management Limited - the Management Company	8	62,243	62,182
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	936	419
Payable to the Securities and Exchange Commission of Pakistan	10	718	276
Payable against redemption of units		4,209,203	85,833
Accrued expenses and other liabilities	11	185,357	58,490
Total liabilities		4,458,457	207,200
Net assets		8,843,127	4,566,384
Unit holders' fund (as per statement attached)		8,843,127	4,566,384
Contingencies and commitments	12		
		----- Number of units-----	
Number of units in issue	13	811,050,058	420,040,480
		-----Rupees-----	
Net asset value per unit		10.9033	10.8713

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

Income	Note	2025 -----Rupees in '000-----	2024
Profit on bank balances		175,677	376,682
Income on term finance certificates and sukuk certificates		177,360	207,029
Income on government securities		736,129	412,774
Income on letters of placement		658	33,164
Income from margin trading system		-	5,434
Net realised gain / (loss) on sale of investments		94,697	(4,397)
Net unrealised appreciation on re-measurement of investments classified as financial asset 'at fair value through profit or loss' - net	5.12	24,342	4,595
Other income	5.7.1 & 5.9.1	85,345	20,773
Total income		<u>1,294,208</u>	<u>1,056,054</u>
Expenses			
Remuneration of NBP Fund Management Limited - the Management Company	8.1	85,467	45,117
Sindh sales tax on remuneration of the Management Company	8.2	12,820	5,865
Reimbursement of allocated expenses	8.3	4,064	6,986
Sindh sales tax on reimbursement of allocated expenses	8.2	610	-
Reimbursement of selling and marketing expenses	8.4	18,343	32,803
Sindh sales tax on reimbursement of selling and marketing expenses	8.2	2,751	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	9.1	5,492	3,515
Sindh sales tax on remuneration of the Trustee	9.2	824	457
Fee to the Securities and Exchange Commission of Pakistan	10.1	5,492	3,515
Provision against non-performing securities		-	45,400
Securities transaction cost		5,154	105
Settlement and bank charges		1,195	869
Auditors' remuneration	14	1,141	1,016
Legal and professional charges		132	218
Printing charges		37	37
Annual rating fee		765	675
Annual listing fee		35	27
Total expenses		<u>144,322</u>	<u>146,605</u>
Net income for the year before taxation		<u>1,149,886</u>	<u>909,449</u>
Taxation	16	-	-
Net income for the year after taxation		<u>1,149,886</u>	<u>909,449</u>
Allocation of net income for the year			
Net income for the year after taxation		1,149,886	909,449
Income already paid on units redeemed		(547,527)	(199,741)
		<u>602,359</u>	<u>709,708</u>
Accounting income available for distribution:			
- Relating to capital gains		119,039	198
- Excluding capital gains		483,320	709,510
		<u>602,359</u>	<u>709,708</u>

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

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

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	-----Rupees in '000-----	
Net income for the year after taxation	1,149,886	909,449
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,149,886</u>	<u>909,449</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2025	2024
		----- Rupees in '000 -----	
Net income for the year before taxation		1,149,886	909,449
Adjustments:			
Profit on bank balances		(175,677)	(376,682)
Income on term finance certificates and sukuk certificates		(177,360)	(207,029)
Income on government securities		(736,129)	(412,774)
Income on letters of placement		(658)	(33,164)
Income from margin trading system		-	(5,434)
Other income	5.7.1 & 5.9.1	(85,345)	(20,773)
Net unrealised appreciation on re-measurement of investments classified as financial asset 'at fair value through profit or loss' - net	5.1	(24,342)	(4,595)
Net realised gain / (loss) on sale of investments		(94,697)	-
		(1,294,208)	(1,060,451)
		(144,322)	(151,002)
(Increase) / decrease in assets			
Investments - net		(3,220,077)	(1,230,719)
Deposits and prepayments		1,032	(1,136)
		(3,219,045)	(1,231,855)
Increase / (decrease) in liabilities			
Payable to NBP Fund Management Limited - the Management Company		61	4,802
Payable to Central Depository Company of Pakistan Limited - the Trustee		517	56
Payable to the Securities and Exchange Commission of Pakistan		442	(934)
Accrued expenses and other liabilities		126,867	(5,098)
		127,887	(1,174)
Income received on bank balances, term finance certificates, letters of placement, sukuk certificates, government securities, margin trading system and spread transactions		1,056,045	1,087,065
Net cash used in operating activities		(2,179,435)	(296,966)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units - net of refund of element		61,057,636	4,334,395
Net payments against redemption of units		(55,366,014)	(5,023,295)
Distributions paid		(581,830)	(699,687)
Net cash generated from / (used in) financing activities		5,109,792	(1,388,587)
			1,427,356
Net increase / (decrease) in cash and cash equivalents during the year		2,930,357	(1,685,553)
Cash and cash equivalents at the beginning of the year		1,427,356	3,112,909
Cash and cash equivalents at the end of the year	15	4,357,713	1,427,356

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

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

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Income Opportunity Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (the SECP) on January 30, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund was registered under the Sindh Trusts Act, 2020 on November 3, 2021.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (the SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund has been categorised as an open ended 'Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from February 11, 2006 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing in money market and debt securities having good credit rating and liquidity. Other avenues of investments include ready future arbitrage in listed securities and transactions under margin trading system.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on May 05, 2025 (2024: AM1 on June 21, 2024). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at "A+(f)" dated April 17, 2025 (2024: "A+(f)" dated April 09, 2024).
- 1.6 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements and are, therefore, not been disclosed in these financial statements.

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

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

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

2.4 Critical accounting estimates and judgments

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

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

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 22.

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Financial assets

3.1.1 Initial recognition and measurement

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

3.1.2 Classification and subsequent measurement

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

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

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

based on the business model of the entity.

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

Equity instruments

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

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

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

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

Cash and cash equivalents

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

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

3.1.3 Impairment (other than debt securities)

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

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

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

3.1.4 Impairment loss on debt securities

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

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

3.1.5 Regular way contracts

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

3.1.6 Derecognition

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

3.2 Financial liabilities

3.2.1 Classification and subsequent measurement

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

3.2.2 Derecognition

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

3.3 Offsetting of financial assets and financial liabilities

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

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

3.5 Provisions

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

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issue and redemption of units

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

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

3.8 Distributions to unit holders

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

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

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

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

of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Revenue recognition

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

3.11 Expenses

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

3.12 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4	BANK BALANCES	Note	2025 -----Rupees in '000-----	2024
	Current accounts	4.1	3,307	70
	Savings accounts	4.2	3,367,583	865,488
			<u>3,370,890</u>	<u>865,558</u>

4.1 This includes balance of Rs. 0.070 million (2024: Rs. 0.070 million) maintained with National Bank of Pakistan (a related party).

4.2 These include balances of Rs. 1.992 million (2024: Rs. 2.517 million) and Rs. 0.008 million (2024: Nil) maintained with National Bank of Pakistan (a related party) and Telenor Microfinance Bank Limited (a related party) respectively, that carry profit at the rate of 6% (2024: 20.50%) and 5.50% (2024: 19.00%) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 0.10% to 11.55% (2024: 11.01% to 22.90%) per annum.

5	INVESTMENTS	Note	2025	2024
			-----Rupees in '000-----	
At fair value through profit or loss				
	Equity securities	5.1	-	-
	Equity securities (spread transactions)	5.2	-	-
	Government securities - GoP Ijarah sukuks	5.3	-	275,193
	Government securities - Market Treasury Bills	5.4	4,973,017	2,233,368
	Government securities - Pakistan Investment Bonds	5.5	1,411,391	712,058
	Term finance certificates	5.6	166,155	192,484
	Term finance certificates - non-performing securities	5.7	-	-
	Redeemable preference shares - debt security	5.8	-	-
	Corporate sukuk certificates	5.9	973,245	248,979
	Corporate sukuk certificates - non-performing securities	5.10	-	12,240
	Letters of placement	5.11	-	-
			<u>7,523,808</u>	<u>3,674,322</u>

5.1 Equity securities

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

Investee company	As at July 01, 2024	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2025	Market value as at June 30, 2025	Percentage in relation to		
							net assets of the Fund	total market value of investments	paid-up capital of the investee company
Number of shares						Rupees in '000			

PERSONAL GOODS

Azgard Nine Limited - Non-voting*	308	-	-	-	308	-	-	-	-
Total as at June 30, 2025						-	-	-	-
Total as at June 30, 2024						-	-	-	-

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

5.2 Equity securities (spread transactions)

Name of the investee company	Number of shares				Market value as at June 30, 2025	Percentage in relation to		
	As at July 1, 2024	Purchased during the year	Sold during the year	As at June 30, 2025		net assets of the Fund	total market value of the investments	paid-up capital of the investee company

CABLE & ELECTRICAL GOODS

Pak Elektron Limited	-	9,218,500	9,218,500	-	-	-	-
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CEMENT

D.G. Khan Cement Company Limited	-	2,038,000	2,038,000	-	-	-	-
Fauji Cement Company Limited	-	3,473,000	3,473,000	-	-	-	-
Lucky Cement Limited	-	50,000	50,000	-	-	-	-
Maple Leaf Cement Factory Limited	-	2,242,000	2,242,000	-	-	-	-

COMMERCIAL BANKS

Habib Bank Limited	-	32,500	32,500	-	-	-	-
Bank AL Habib Limited	-	800,000	800,000	-	-	-	-



Name of the investee company	Number of shares				Market value as at June 30, 2025 (Rupees in '000)	Percentage in relation to		
	As at July 1, 2024	Purchased during the year	Sold during the year	As at June 30, 2025		net assets of the Fund	total market value of the investments	paid-up capital of the investee company
						----- % -----		
ENGINEERING								
Mughal Iron & Steel Industries Limited	-	73,500	73,500	-	-	-	-	-
OIL & GAS EXPLORATION COMPANIES								
Oil & Gas Development Company Limited	-	1,495,500	1,495,500	-	-	-	-	-
Mari Energies Limited	-	104,500	104,500	-	-	-	-	-
Pakistan Petroleum Limited	-	4,679,000	4,679,000	-	-	-	-	-
OIL AND GAS MARKETING COMPANIES								
Pakistan State Oil Company Limited	-	1,341,000	1,341,000	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	757,500	757,500	-	-	-	-	-
Sui Southern Gas Company Limited	-	782,000	782,000	-	-	-	-	-
PHARMACEUTICALS								
The Searle Company Limited	-	1,917,000	1,917,000	-	-	-	-	-
Citi Pharma Limited	-	1,152,500	1,152,500	-	-	-	-	-
POWER GENERATION & DISTRIBUTION								
The Hub Power Company Limited	-	1,873,500	1,873,500	-	-	-	-	-
K-Electric Limited	-	1,000,500	1,000,500	-	-	-	-	-
REFINERY								
Attock Refinery Limited	-	175,000	175,000	-	-	-	-	-
National Refinery Limited	-	247,000	247,000	-	-	-	-	-
Pakistan Refinery Limited	-	2,198,500	2,198,500	-	-	-	-	-
TECHNOLOGY & COMMUNICATION								
Avanceon Limited	-	388,500	388,500	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	980,000	980,000	-	-	-	-	-
TRANSPORT								
Pakistan International Bulk Terminal Limited	-	3,066,500	3,066,500	-	-	-	-	-
FERTILIZER								
Engro Fertilizers Limited	-	466,500	466,500	-	-	-	-	-
Fatima Fertilizer Company Limited	-	1,500	1,500	-	-	-	-	-
CHEMICAL								
Lotte Chemical Pakistan Limited	-	1,262,000	1,262,000	-	-	-	-	-
TEXTILE								
Nishat Mills Limited	-	9,000	9,000	-	-	-	-	-
Total as at June 30, 2025					-	-	-	-
Total as at June 30, 2024					-	-	-	-

5.3 Government securities - GoP Ijarah sukuks

Name of security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2024	Purchased during the year	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution)	Market value as a percentage of				
				Number of certificates				Rupees in '000			net assets of the Fund	total investments of the Fund			
											%				
GoP Ijarah sukuk VRR - XL (Face value of Rs. 100,000 per certificate)	Semi-annually / at maturity	December 4, 2024	Weighted average 6 months T-Bills	250	-	250	-	-	-	-	-	-			
GoP Ijarah sukuk VRR - XLI (Face value of Rs. 100,000 per certificate)	Semi-annually / at maturity	December 4, 2026	Weighted average 6 months T-Bills	750	-	750	-	-	-	-	-	-			
GoP Ijarah sukuk VRR - XLII (Face value of Rs. 100,000 per certificate)	Semi-annually / at maturity	December 4, 2028	Weighted average 6 months T-Bills	1,000	-	1,000	-	-	-	-	-	-			
GoP Ijarah sukuk FRR - XXXIII (Face value of Rs. 100,000 per certificate)	Semi-annually / at maturity	December 4, 2026	16.19% 750	-	-	750	-	-	-	-	-	-			
Total as at June 30, 2025											-	-	-		
Total as at June 30, 2024											275,000	275,193	193	5.91%	7.82%

5.4 Government securities - Market Treasury Bills

Issue date	Maturity date	Tenor in months	Yield	Face value				Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution)	Percentage In relation to	
				As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025				net assets of the Fund	total market value of investments
											%	
January 11, 2024	July 11, 2024	6	18.71%	125,000	-	125,000	-	-	-	-	-	
January 25, 2024	January 23, 2025	12	19.74%	375,000	-	375,000	-	-	-	-	-	
April 4, 2024	April 3, 2025	12	19.55%	375,000	-	375,000	-	-	-	-	-	
April 18, 2024	April 17, 2025	12	19.40%	500,000	500,000	1,000,000	-	-	-	-	-	
May 2, 2024	July 25, 2024	3	19.69%	200,000	-	200,000	-	-	-	-	-	
May 2, 2024	May 2, 2025	12	19.25%	250,000	-	250,000	-	-	-	-	-	
May 16, 2024	May 15, 2025	12	19.11%	175,000	1,000,000	1,175,000	-	-	-	-	-	
May 30, 2024	August 22, 2024	3	19.92%	375,000	-	375,000	-	-	-	-	-	
May 30, 2024	May 29, 2025	12	18.97%	100,000	-	100,000	-	-	-	-	-	
March 21, 2024	March 20, 2025	12	17.75%	-	100,000	100,000	-	-	-	-	-	
July 11, 2024	October 3, 2024	3	19.84%	-	250,000	250,000	-	-	-	-	-	
July 25, 2024	October 17, 2024	3	19.49%	-	250,000	250,000	-	-	-	-	-	
August 8, 2024	August 7, 2025	12	11.13%	-	447,700	447,700	-	-	-	-	-	
August 22, 2024	February 20, 2025	6	17.70%	-	250,000	250,000	-	-	-	-	-	
August 22, 2024	November 14, 2024	3	17.47%	-	250,000	250,000	-	-	-	-	-	
August 22, 2024	August 21, 2025	12	16.86%	-	250,000	250,000	-	-	-	-	-	
October 3, 2024	April 3, 2025	6	14.15%	-	500,000	500,000	-	-	-	-	-	
October 17, 2024	January 9, 2025	3	15.06%	-	1,050,000	1,050,000	-	-	-	-	-	
October 31, 2024	January 23, 2025	3	13.87%	-	200,000	200,000	-	-	-	-	-	
November 14, 2024	February 6, 2025	3	13.46%	-	250,000	250,000	-	-	-	-	-	
November 28, 2024	November 27, 2025	12	12.10%	-	500,000	500,000	-	-	-	-	-	
December 12, 2024	June 12, 2025	6	11.93%	-	500,000	500,000	-	-	-	-	-	
December 12, 2024	March 6, 2025	3	12.04%	-	1,000,000	1,000,000	-	-	-	-	-	
January 9, 2025	April 3, 2025	3	11.71%	-	250,000	250,000	-	-	-	-	-	
January 23, 2025	April 17, 2025	3	11.59%	-	375,000	375,000	-	-	-	-	-	
January 23, 2025	January 22, 2026	12	11.20%	-	500,000	500,000	-	-	-	-	-	
February 6, 2025	May 2, 2025	3	11.77%	-	500,000	500,000	-	-	-	-	-	
March 6, 2025	September 4, 2025	6	11.16%	-	2,500,000	2,500,000	-	-	-	-	-	

NBP INCOME OPPORTUNITY FUND

Issue date	Maturity date	Tenor in months	Yield	Face value				Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (dminution)	Percentage In relation to	
				As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025				net assets of the Fund	total market value of investments
----- Rupees in '000 -----										----- % -----		
March 6, 2025	May 29, 2025	3	11.78%	-	500,000	500,000	-	-	-	-	-	-
April 17, 2025	May 15, 2025	1	12.29%	-	500,000	500,000	-	-	-	-	-	-
April 17, 2025	July 10, 2025	3	11.96%	-	500,000	500,000	-	-	-	-	-	-
April 17, 2025	April 16, 2026	12	11.22%	-	1,000,000	1,000,000	-	-	-	-	-	-
May 2, 2025	May 29, 2025	1	12.14%	-	250,000	250,000	-	-	-	-	-	-
May 2, 2025	April 30, 2026	12	11.21%	-	1,000,000	1,000,000	-	-	-	-	-	-
May 15, 2025	June 12, 2025	1	11.18%	-	500,000	500,000	-	-	-	-	-	-
June 12, 2025	December 11, 2025	6	11.18%	-	1,000,000	1,000,000	-	-	-	-	-	-
June 12, 2025	June 11, 2026	12	11.18%	-	1,000,000	1,000,000	-	-	-	-	-	-
July 11, 2024	July 10, 2025	12	11.06%	-	334,200	250,000	84,200	83,971	83,969	(2)	0.95%	1.12%
September 5, 2024*	September 4, 2025*	12	12.00%	-	870,000	-	870,000	849,625	853,180	3,555	9.65%	11.34%
October 3, 2024	October 2, 2025	12	11.75%	-	1,500,000	989,800	510,200	495,918	496,278	360	5.61%	6.60%
October 31, 2024	October 30, 2025	12	12.93%	-	200,000	-	200,000	192,404	192,982	578	2.18%	2.56%
December 12, 2024	December 11, 2025	12	11.98%	-	500,000	-	500,000	476,113	476,771	658	5.39%	6.34%
January 9, 2025	January 8, 2026	12	11.19%	-	772,000	-	772,000	729,382	730,378	996	8.26%	9.71%
February 20, 2025	February 19, 2026	12	11.22%	-	744,300	-	744,300	694,654	695,839	1,185	7.87%	9.25%
May 2, 2025	July 24, 2025	3	11.98%	-	500,000	-	500,000	496,326	496,490	164	5.61%	6.60%
May 15, 2025	May 14, 2026	12	11.32%	-	500,000	-	500,000	455,840	456,797	957	5.17%	6.07%
June 12, 2025	September 4, 2025	3	11.16%	-	500,000	-	500,000	490,277	490,333	56	5.54%	6.50%
Total as at June 30, 2025							4,964,510	4,973,017	8,507	56.23%	66.09%	
Total as at June 30, 2024							2,230,999	2,233,368	2,369	48.90%	60.78%	

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

5.5 Government securities - Pakistan Investment Bonds

Issue date	Maturity date	Tenor in years	Yield	Face value				Carrying value as at June 30, 2025	Market value as at June 2025	Unrealised appreciation / (dminution)	Investment as a percentage of	
				As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025				net assets of the Fund	total market value of investments
----- Rupees in '000 -----										----- % -----		
November 17, 2022	November 17, 2027	5	12.25%	500,000	-	-	500,000	490,000	496,100	6,100	5.61%	6.59%
September 21, 2023	September 21, 2028	5	12.79%	235,000	-	-	235,000	228,326	231,757	3,431	2.62%	3.08%
January 16, 2025	January 16, 2028	3	11.56%	-	250,000	250,000	-	-	-	-	-	-
September 20, 2024	September 20, 2026	2	13.69%	-	150,000	-	150,000	129,936	132,208	2,272	1.50%	1.76%
October 3, 2024	October 3, 2029	5	12.47%	-	75,000	-	75,000	73,097	73,493	396	0.83%	0.98%
January 16, 2025	January 16, 2027	2	12.35%	-	500,000	58,900	441,100	372,403	375,736	3,333	4.25%	4.99%
January 16, 2025	January 16, 2030	5	12.27%	-	600,000	500,000	100,000	99,039	102,097	3,058	1.15%	1.36%
Total as at June 30, 2025							1,392,801	1,411,391	18,590	15.96%	18.76%	
Total as at June 30, 2024							710,107	712,058	1,951	15.59%	19.38%	

5.6 Term finance certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2024	Purchased during the year	Sold / redeemed during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (dminution)	Percentage in relation to	
					----- Number of certificates -----			----- Rupees in '000 -----			----- % -----		
COMMERCIAL BANKS													
The Bank of Punjab - TFC II (Face value of Rs. 99,720 per certificate)	AA, PACRA	Semi-annually	April 23, 2028	6 months KIBOR plus base rate of 1.25%	900	-	-	900	90,640	91,155	515	1.03%	1.21%
MICROFINANCE COMPANIES													
Kashf Foundation - PPTFC (Face value of Rs. 75,000 per certificate)	AAA, PACRA	Quarterly	December 8, 2026	3 months KIBOR plus base rate of 1.50%	1,000	-	-	1,000	76,808	75,000	(1,808)	0.85%	1.00%
Total as at June 30, 2025							167,448	166,155	(1,293)	1.88%	2.21%		
Total as at June 30, 2024							190,660	192,484	1,824	4.18%	5.37%		

5.7 Term finance certificates - non-performing securities

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2024	Purchased during the year	Sold / redeemed during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution)	Percentage in relation to	
					Number of certificates			Rupees in '000			net assets of the Fund	total market value of investments	
												%	
CEMENT													
Dewan Cement Limited TFC (Face value of Rs. 5,000 per certificate)	Unrated	-	January 17, 2030	6 months KIBOR plus base rate of 2.00%	30,000	-	-	30,000	-	-	-	-	-
CHEMICAL													
AgriTech Limited TFC V (Face value of Rs. 5,000 per certificate)*	Unrated	-	January 1, 2028	11.00%	6,464	-	6,464	-	-	-	-	-	-
AgriTech Limited TFC I (Face value of Rs. 4,911 per certificate)*	Unrated	-	November 29, 2025	6 months KIBOR plus base rate of 1.75%	30,000	-	30,000	-	-	-	-	-	-
COMMERCIAL BANKS													
Silk Bank Limited - TFC I (Face value of Rs. 2,497 per certificate)	Unrated	Semi-annually	August 10, 2025	6 months KIBOR plus base rate of 1.85%	20,000	-	-	20,000	-	-	-	-	-
LEASING COMPANIES													
Saudi Pak Leasing Company Limited - TFC II (Face value of Rs. 2,755 per certificate)	Unrated	-	March 13, 2035	6.87%	15,000	-	-	15,000	-	-	-	-	-
TECHNOLOGY & COMMUNICATION													
Worldcall Telecom Limited - TFC III (Face value of Rs. 1,537 per certificate)	Unrated	Quarterly	September 20, 2026	6 months KIBOR plus base rate of 1.60%	45,000	-	-	45,000	-	-	-	-	-
TEXTILE COMPOSITE													
Azgard Nine Limited VII (PPTFC) (Face value of Rs. 3,000 per certificate)	Unrated	-	April 29, 2031	5.00%	16,095	-	-	16,095	-	-	-	-	-
Azgard Nine Limited - Zero Coupon (Face value of Rs. 5,000 per certificate)	Unrated	-	April 29, 2031	Zero - coupon bond	39,093	-	-	39,093	-	-	-	-	-
MISCELLANEOUS													
Pace (Pakistan) Limite TFC Revised (Face value of Rs. 4,994 per certificate)	Unrated	-	February 15, 2045	6 months KIBOR plus base rate of 2.00%	30,000	-	-	30,000	-	-	-	-	-
New Allied Electronic Industries (Private) Limited TFC (Face value of Rs. 2,114 per certificate)	Unrated	-	November 15, 2025	3 months KIBOR plus base rate of 3.00%	15,000	-	-	15,000	-	-	-	-	-
Total as at June 30, 2025									-	-	-	-	-
Total as at June 30, 2024									-	-	-	-	-

5.7.1 The investee companies had defaulted on their obligation on account of principal and profit payments and accordingly the certificates had been classified as non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provisions amounting to Rs. 915.341 million (2024: Rs. 735.685 million) against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

During the year, the Fund has received Rs. 49.990 million and Rs. 16.095 million (June 30, 2024: Rs. 16.095 million) against recovery of provided term finance certificate of Silk Bank Limited - TFC I and Azgard Nine Limited VII - PPTFC respectively.

5.8 Redeemable preference shares - debt security

Name of the Investee Company	Note	As at July 1, 2024	Shares issued during the year	As at June 30, 2025	As at June 30, 2025			Market value as a percentage of	
					Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments
					(Rupees)			%	
CHEMICAL									
AgriTech Limited - Class A	5.8.1	-	23,933,757	23,933,757	-	-	-	-	-
Total as at June 30, 2025					-	-	-	-	-
Total as at June 30, 2024					-	-	-	-	-

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

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

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

As a result of the above arrangement, on December 23, 2024 AGL issued 23,933,757 cumulative redeemable Class A preference shares with limited voting rights having face value amounting to Rs. 239,337,570 and remaining fractional amount of Rs. 7 to be paid in cash to the Fund in compliance with the SoA in settlement of the Principal and mark-up portion outstanding in relation to the term finance certificates of AGL as disclosed in note 5.7. Accordingly, the Fund has derecognized its original investments in the aforesaid term finance certificates of AGL against a consideration of Rs. Nil and recognised these preference shares as unlisted debt security in the financial statements for the year ended June 30, 2025.

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

As of June 30, 2025, the MUFAP has continued to classify the sukuks and privately placed term financing certificates of Agritech Limited as non-performing asset based on the criteria envisaged in SECP's Master Circular No. 1 of 2023. Accordingly, the preference shares of Agritech Limited received in exchange of the above instruments are also classified as a non-performing asset.

As per the Master Circular No. 1 of 2023, the valuation of debt securities held by collective investment schemes shall be determined by MUFAP based on the methodology provided in the aforesaid circular. As of June 30, 2025, the MUFAP has not assigned any value to these preference shares of Agritech Limited under the aforesaid notification. Accordingly, these preference shares are carried at Nil value in the financial statements of the Fund.

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

5.9 Corporate sukuk certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2024	Purchased during the year	Sold / redeemed during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution)	Percentage in relation to	
					Number of certificates			Rupees in '000		net assets of the Fund		total market value of investments	
CEMENT													
Javedan Corporation Limited Sukuk I (Face value of Rs. 25,000 per certificate)	AA-, VIS	Semi-annually	October 4, 2026	6 months KIBOR plus base rate of 1.75%	150	-	-	150	3,625	3,675	50	0.04%	0.05%
POWER GENERATION & DISTRIBUTION													
K-Electric Limited - Sukuk - V (a related party) (Face value of Rs. 2,250 per certificate)	AA+, VIS	Quarterly	August 3, 2027	3 months KIBOR plus base rate of 1.70%	41,000	-	-	41,000	94,582	93,592	(990)	1.06%	1.24%
COMMERCIAL BANKS													
Al Baraka Bank (Pakistan) Limited (Face value of Rs. 1,000,000 per certificate)	A+, VIS	Semi-annually	December 22, 2031	6 months KIBOR plus base rate of 1.50%	25	-	25	-	-	-	-	-	-
MISCELLANEOUS													
Hub Power Holding Limited Sukuk (Face value of Rs. 75,000 per certificate)	AA+, PACRA	Semi-annually	November 12, 2025	6 months KIBOR plus base rate of 2.50%	1,075	-	1,075	-	-	-	-	-	-

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2024	Purchased during the year	Sold / redeemed during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution)	Percentage in relation to	
												Number of certificates	Rupees in '000
Shakarganj Food Products Limited Sukuk I (Face value of Rs. 250,000 per certificate)	BBB-, VIS	Quarterly	July 10, 2026	3 months KIBOR plus base rate of 1.75%	70	-	-	70	17,500	16,978	(522)	0.19%	0.23%
RYK Mills Limited (Face value of Rs. 1,000,000 per certificate)*	A1, VIS	Semi-annually	August 11, 2025	6 months KIBOR plus base rate of 1.50%	-	150	-	150	150,000	150,000	-	1.70%	1.99%
TECHNOLOGY & COMMUNICATION													
Select Technologies (Private) Limited (Face value of Rs. 1,000,000 per certificate)	A1, PACRA	Semi-annually	June 13, 2025	6 months KIBOR plus base rate of 1.75%	-	50	50	-	-	-	-	-	-
Air Link Communication Limited (Face value of Rs. 1,000,000 per certificate)*	A+, PACRA	Semi-annually	September 25, 2025	6 months KIBOR plus base rate of 1.75%	-	400	-	400	400,000	400,000	-	4.52%	5.32%
CHEMICAL													
Sitara Chemical Industries Limited (Face value of Rs. 1,000,000 per certificate)	AA-, VIS	Semi-annually	February 12, 2032	3 months KIBOR plus base rate of 1.75%	-	9	-	9	9,000	9,000	-	0.10%	0.12%
TEXTILE COMPOSITE													
Mahmood Textile Mills Limited (Face value of Rs. 1,000,000 per certificate)*	A-, PACRA	Semi-annually	September 17, 2025	6 months KIBOR plus base rate of 0.75%	-	300	-	300	300,000	300,000	-	3.39%	3.99%
Total as at June 30, 2025									974,707	973,245	(1,462)	11.00%	12.94%
Total as at June 30, 2024									250,721	248,979	(1,742)	5.34%	7.07%

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

- 5.9.1** On April 26, 2023, sukuk certificates of Shakarganj Food Products Limited (SFPL) were classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No. 33 of 2012, the sukuk certificates were classified as non-performing asset and hence no further profit was accrued thereafter.

On September 8, 2023, the restructuring of the aforementioned sukuk was approved by all the sukuk investors whereby the four principal instalments due on July 10, 2023, October 10, 2023, January 10, 2024 and April 10, 2024 have been deferred for one year from their respective due dates and the tenure of the sukuk has been extended by twelve months. However, SFPL would continue to service profit payments on quarterly basis on the outstanding amount of principal as per earlier agreed terms. During the current year, SFPL has paid all the due instalments and accordingly MUFAP has classified the sukuk as performing asset on October 15, 2024 in accordance with the requirement of SECP's Circular No. 33 of 2012. Hence the provision recorded on the sukuk certificates has been duly reversed amounting to Rs. 19.260 million.

5.10 Corporate sukuk certificates - non-performing securities

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2024	Purchased during the year	Sold / redeemed during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution)	Percentage in relation to	
												Number of certificates	Rupees in '000
MISCELLANEOUS													
Eden Housing Limited Sukuk (2nd Issue) (Face value of Rs. 984 per certificate)	Unrated	-	September 29, 2025	6 months KIBOR plus base rate of 2.50%	9,200	-	-	9,200	-	-	-	-	-
New Allied Electronic Industries (Private) Limited - Sukuk II (Face value of Rs. 4,905 per certificate)	Unrated	-	December 3, 2025	6 months KIBOR plus base rate of 2.20%	9,000	-	-	9,000	-	-	-	-	-
Total as at June 30, 2025									-	-	-	-	-
Total as at June 30, 2024									12,240	12,240	-	0.27%	0.33%

- 5.10.1** The investee companies had defaulted on their obligations on account of principal and profit payments and accordingly had been classified as non performing assets by the Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 53.205 million (2024: Rs. 72.465 million) against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.11 Letters of placement

Name of the investee company	Rating	Maturity date	Profit rate	As at July 1, 2024	Letter of placement		As at June 30, 2025	As at June 30, 2025		Market value as a percentage of	
					Purchased during the year	Matured during the year		Carrying value	Market value	net assets of the Fund	total market value of investments
								----- (Rupees in '000) -----		----- (%) -----	
DEVELOPMENT FINANCIAL INSTITUTION											
Pakistan Kuwait Investment Company (Private) Limited	AAA, PACRA	March 17, 2025	12.00%	-	500,000	500,000	-	-	-	-	-
Total as at June 30, 2025								-	-	-	-
Total as at June 30, 2024								-	-	-	-

5.12 Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' - net	Note	2025	2024
		-----Rupees in '000-----	-----Rupees in '000-----
Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.10 & 5.11	7,523,808	3,674,322
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.10 & 5.11	(7,499,466)	(3,669,727)
		<u>24,342</u>	<u>4,595</u>

6 PROFIT RECEIVABLE	Note	2025	2024
		-----Rupees in '000-----	-----Rupees in '000-----
Profit receivable on:			
- Bank balances		26,928	10,606
- Term finance certificates and sukuk certificates		39,180	17,432
- Pakistan investment bonds		21,872	26,163
		<u>87,980</u>	<u>54,201</u>

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Prepaid annual rating fee		437	387
Security deposit with the Central Depository Company of Pakistan Limited *		100	100
Security deposit with the National Clearing Company of Pakistan		2,750	3,829
Advance tax	7.1	9,603	9,603
Listing fee		-	3
		<u>12,890</u>	<u>13,922</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during prior years, withholding tax on profit on bank deposits and debt securities paid to the Fund was deducted by various withholding agents based on the interpretation issued by Federal Board of Revenue (FBR) vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on profit on bank balances and debt securities amounted to Rs. 9.063 million (2024: Rs. 9.603 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding taxes deducted on profit on bank balances and debt securities have been shown as other receivables as at June 30, 2025 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

8	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	2025 -----Rupees in '000-----	2024
	Remuneration of the Management Company	8.1	13,500	3,489
	Sindh sales tax on remuneration of the Management Company	8.2	2,025	454
	Allocated expenses payable	8.3	2,783	1,617
	Sindh sales tax on allocated expenses payable	8.2	417	-
	Selling and marketing expenses payable	8.4	1,235	15,421
	Sindh sales tax on selling and marketing expenses payable	8.2	185	-
	Sales and transfer load payable		1,137	436
	Sindh sales tax on sales and transfer load payable		171	57
	Federal excise duty on remuneration of the Management Company and sales load	8.5	40,695	40,695
	Alternative delivery channels charges payable including Sindh sales tax		95	13
			62,243	62,182

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 6.00% (2024: 6.00%) of net income, subject to floor and capping of 0.50% (2024: 0.50%) and 1.00% (2024: 1.00%) per annum respectively of the average net assets of the Fund for the period from July 01, 2024 till January 12, 2025. Remuneration was charged at the rate of 1.41% for the period from January 13, 2025 till June 30, 2025. The remuneration is payable to the Management Company monthly in arrears.

During the year ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap to 1.5% to be calculated on a per annum basis of the average daily net assets, applicable to an "Income Scheme". This revision is effective from July 01, 2025.

8.2 Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of Management Company has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

Further, Sindh sales tax at the rate of 15% has also been levied on any reimbursable expenditure to the Management Company effective July 1, 2024 vide Sindh Finance Act, 2024.

8.3 In accordance with Regulation 60 of the NBFC Regulations 2008, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly, the Management Company based on its discretion has charged allocated expenses as per the following rates:

Rate applicable from July 1, 2024 to November 24, 2024	Rate applicable from November 25, 2024 to January 12, 2025	Rate applicable from January 13, 2025 to June 30, 2025	Rate applicable from July 1, 2023 to June 23, 2024	Rate applicable from June 24, 2024 to June 30, 2024
0.10% of average annual net assets	0.20% of average annual net assets	Nil	0.15% of average annual net assets	0.10% of average annual net assets

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to registrar services, accounting, operation and valuation services has been excluded. This amendment was effective immediately upon its release on April 10, 2025.

- 8.4** In accordance with Circular 11 dated July 5, 2019 issued by SECP with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations.

Accordingly, the Management Company based on its own discretion has charged selling and marketing expenses at decided rates and same has also been approved by the Board of Directors of the Management Company. The Management Company has charged selling and marketing expenses as per the following rates:

Rate applicable from July 1, 2024 to August 04, 2024	Rate applicable from August 05, 2024 to November 24, 2024	Rate applicable from November 25, 2024 to January 12, 2025	Rate applicable from January 13, 2025 to June 30, 2025	Rate applicable from July 1, 2023 to June 30, 2024
0.70% of average annual net assets	0.60% of average annual net assets	0.50% of average annual net assets	Nil	0.70% of average annual net assets

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs, as prescribed in Schedule XX of the NBFC Regulations, wherein the SECP has excluded the chargeability of selling and marketing expenses from the schedule. This amendment was effective immediately upon its release on April 10, 2025.

- 8.5** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs. 40.695 million (2024: Rs. 40.695 million) is being retained in these financial statements as the matter is pending before the SCP. Had the provision for FED not been made, the net asset value per unit of the Fund as at June 30, 2025 would have been higher by Re. 0.0502 (2024: Re 0.0969) per unit.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	2025 -----Rupees in '000-----	2024
	Remuneration payable	9.1	718	276
	Sindh Sales Tax payable on remuneration of Trustee	9.2	108	36
	Settlement charges payable		110	107
			<u>936</u>	<u>419</u>
9.1	The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2024: 0.075%) per annum of average annual net assets of the Fund. Accordingly, the Fund has charged trustee fee at the above mentioned rate during the year.			
9.2	Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of the Trustee has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.			
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2025 -----Rupees in '000-----	2024
	Fee payable	10.1	<u>718</u>	<u>276</u>
10.1	In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.075% per annum of the average daily net assets of the Fund, applicable to an "Income Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2024: 0.075%) per annum of average the daily net assets during the year. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.			
11	ACCRUED EXPENSES AND OTHER LIABILITIES		2025 -----Rupees in '000-----	2024
	Auditors' remuneration payable		869	679
	Brokerage fee payable		15	116
	Settlement charges payable		126	29
	Printing charges payable		36	236
	Withholding tax payable		131,330	50,322
	Capital gain tax payable		52,252	6,484
	Legal and professional charges payable		463	476
	Other payable		266	148
			<u>185,357</u>	<u>58,490</u>
12	CONTINGENCIES AND COMMITMENTS			
	There were no contingencies and commitments outstanding as at June 30, 2025 and June 30, 2024.			
13	NUMBER OF UNITS IN ISSUE		2025 -----Number of units-----	2024
	Total units in issue at the beginning of the year		420,040,480	460,576,216
	Add: units issued during the year		5,097,524,070	383,281,521
	Less: units redeemed during the year		<u>(4,706,514,492)</u>	<u>(423,817,257)</u>
	Total units in issue at the end of the year		<u>811,050,058</u>	<u>420,040,480</u>

14	AUDITORS' REMUNERATION	Note	2025	2024
			-----Rupees in '000-----	
	Annual audit fee		631	574
	Half yearly review		262	240
	Other certification		162	-
	Out of pocket expenses		86	202
			<u>1,141</u>	<u>1,016</u>
15	CASH AND CASH EQUIVALENTS			
	Bank balances	4	3,370,890	865,558
	Government securities - Market Treasury Bills with original maturity of 3 months or less	5.4	<u>986,823</u>	<u>561,798</u>
			<u>4,357,713</u>	<u>1,427,356</u>

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. 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, 2025 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements during the year.

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.

17 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the year ended June 30, 2025 is 1.97% (2024: 2.16%) which includes 0.32% (2024: 0.21%) representing government levies on the Fund such as provision of sales taxes, federal excise duties, annual fee to the SECP, etc. The TER excluding government levies is 1.65% (2024: 1.95%) which is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as income scheme.

During the year ended June 30, 2025, the SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the TER limit with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 8.1 to these financial statements.

18 DETAILS OF NON-COMPLIANT INVESTMENTS

The SECP vide Circular no. 7 of 2009 dated March 6, 2009, required all asset management companies to categorise funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The SECP vide circular no. 16 of 2010 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

In this regard, the below-mentioned securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP and were consequently classified as non-performing assets on default by the respective issuer at the time of repayment of coupon due on the respective dates.

Following is the detail of non-compliant investments:

Name of non-compliant investment	Note	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	% of net assets	% of gross assets
			-----Rupees in '000-----				
Azgard Nine Limited - Zero Coupon	5.7	Term finance certificates	195,465	(195,465)	-	-	-
Azgard Nine Limited VII - PPTFC	5.7	Term finance certificates	48,285	(48,285)	-	-	-
Dewan Cement Limited	5.7	Pre - IPO	150,000	(150,000)	-	-	-
Eden Housing Limited	5.10	Sukuks	9,056	(9,056)	-	-	-
New Allied Electronics Industries (Private) Limited - PPTFC	5.7	Term finance certificates	31,707	(31,707)	-	-	-
New Allied Electronics Industries (Private) Limited	5.10	Sukuks	44,149	(44,149)	-	-	-
Pace Pakistan Limited	5.7	Term finance certificates	149,820	(149,820)	-	-	-
Saudi Pak Leasing Company Limited	5.7	Term finance certificates	41,321	(41,321)	-	-	-
Silk Bank Limited	5.7	Term finance certificates	49,930	(49,930)	-	-	-
Worldcall Telecom Limited	5.7	Term finance certificates	69,157	(69,157)	-	-	-
Azgard Nine Limited (Non-voting)	5.1	Shares	13	(13)	-	-	-
Agriotech Limited - Class A	5.8	Preference Shares	-	-	-	-	-
Total carrying value and accumulated impairment as at June 30, 2025			788,903	(788,903)	-		
Total carrying value and accumulated impairment as at June 30, 2024			1,066,144	(1,053,904)	12,240		

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, other associated companies, any entity in which the Management Company, its collective investment schemes (CISs) or their connected persons have material interest. Connected persons also include any person or company beneficially owing directly or indirectly ten percent or more of net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons / related parties essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

Allocated expenses and selling and marketing expenses are charged to the Fund by Management Company subject to the maximum prescribed Total Expense Ratio.

Transactions during the year:	2025	2024
	--- Rupees in '000 ---	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	85,467	45,117
Sindh sales tax on remuneration of the Management Company	12,820	5,865
Reimbursement of allocated expenses	4,064	6,986
Sindh sales tax on reimbursement of allocated expenses	610	-
Reimbursement of selling and marketing expenses	18,343	32,803
Sindh sales tax on reimbursement of selling and marketing expenses	2,751	-
Sales and transfer load	6,369	1,151
Sales tax on sales and transfer load	955	150
Alternative delivery channels charges for the year including Sindh sales tax	936	808
Dividend re-invest: 516 units (2024: Nil units)	6	-
Units redeemed: 516 (2024: Nil)	6	-
Units issued to unitholders on behalf of the Management Company	9,627	-
National Bank of Pakistan - Parent of Management Company		
Profit on bank balance	196	-
NBP Employees Pension Fund - unit holder with more than 10% holding		
Dividend re-invest: 23,666,617 units (2024: 30,825,944 units)	257,774	334,616
Units issued: 19,129 units (2024: Nil units)	209	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	5,492	3,515
Sindh sales tax on remuneration of the Trustee	824	457
Settlement charges	466	236
Taurus Securities Limited - subsidiary of Parent company		
Brokerage expense	404	-
Fauji Fertilizer Company Limited - common directorship		
Units issued: 520,818,533 units (2024: Nil units)	6,460,036	-
Units redeemed: 447,317,456 units (2024: Nil units)	5,703,072	-
K-Electric Limited - common directorship		
Profit on sukuk	19,322	61,095
Telenor Microfinance Bank Limited - common directorship		
Profit on bank balance	4	-
First Credit and Investment Bank Limited - common directorship		
Dividend re-invest: 955 units (2024: Nil units)	11	-
Units issued: 90 units (2024: Nil units) *	-	-
Brokerage expense	4	-
Portfolio managed by the Management Company		
Dividend re-invest: 27,046 units (2024: 3,576,267 units)	323	38,820
Units issued: 27,810,170 units (2024: Nil units)	304,756	-
Units redeemed: 24,344,608 units (2024: 3,073,283 units)	311,525	34,326
Purchase of market treasury bills	353,053	100,000
Sale of market treasury bills	84,756	16,882

	2025	2024
	--- Rupees in '000 ---	
Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer of the Management Company		
Dividend re-invest units issued: 21 units (2024: 19 units) *	-	-
Faisal Ahmed - Director of the Management Company		
Dividend re-invest units issued: 80 units (2024: Nil units)	1	-
Units issued: 7 units (2024: Nil) *	-	-
Haider Amjad - shareholder of Management Company		
Dividend re-invest units issued: 1 units (2024: Nil units)	-	-
Units issued: 224,263 units (2024: Nil units)	2,657	-
Units redeemed: 224,264 units (2024: Nil units)	2,659	-
Amounts / balances outstanding as at year end:		
Employees of the Management Company		
Dividend re-invest: 14,650 units (2024: 3,548,084 units)	161	43,703
Units issued: 19,286,343 units (2024: 8,590 units)	230,438	93
Units redeemed: 16,868,887 units (2024: 3,013,169 units)	206,648	36,876
CDC Trustee NBP Islamic Government Securities Plan III - Fund managed by Management Company		
Sale of sukuk certificate	106,073	-
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	13,500	3,489
Sindh sales tax on remuneration of the Management	2,025	454
Allocated expenses payable	2,783	1,617
Sindh sales tax on allocated expenses payable	417	-
Selling and marketing expenses payable	1,235	15,421
Sindh sales tax on selling and marketing expenses payable	185	-
Sales and transfer load payable	1,137	436
Sindh sales tax on sales and transfer load	171	57
Federal excise duty and related Sindh sales tax on management fee and sales load	40,695	40,695
Alternative delivery channels charges payable including Sindh sales tax	95	13
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable	718	276
Sindh Sales Tax payable on remuneration of Trustee	108	36
Settlement charges payable	110	107
Security deposit	100	100
K-Electric Limited - common directorship		
Sukuk certificates	93,592	135,582
Profit receivable on sukuk certificates	2,058	-
National Bank of Pakistan - Parent of the Management Company		
Bank balances	2,062	2,587
Profit receivable on bank balances	32	-

	2025	2024
	--- Rupees in '000 ---	
NBP Employees Pension Fund - unit holder with more than 10% holding		
Units held: 200,536,398- units (2024: 176,850,652 units)	2,186,509	1,922,596
Telenor Microfinance Bank Limited - common directorship		
Bank balance	8	-
Profit receivable on bank balances	2	2
Portfolio managed by the Management Company		
Units held in the Fund: 26,999,211 units (2024: 23,506,861 units)	294,380	255,550
Term finance certificates	-	101,808
Profit receivable on term finance certificates	-	1,394
Employees of the Management Company		
Units held in the Fund: 2,579,259 units (2024: 146,926 units)	28,122	1,597
Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer of the Management Company		
Units held in the Fund: 147 units (2024: 126 units)	2	1
Faisal Ahmed - Director of the Management Company		
Units held in the Fund: 87 units (2024: Nil units) **	1	-
Fauji Fertilizer Company Limited - common directorship		
Units held in the Fund: 73,501,077 units (2024: Nil units) **	801,404	-
First Credit and Investment Bank Limited - common directorship		
Units held in the Fund: 1,045 units (2024: Nil units)	11	-

** This reflects the position of the related party / connected person status as at June 30, 2025.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	----- 2025 -----		
	At fair value through profit or loss	At amortised cost	Total
	-----Rupees in '000-----		
Financial assets			
Bank balances	-	3,370,890	3,370,890
Investments	7,523,808	-	7,523,808
Profit receivable	-	87,980	87,980
Receivable against conversion of units	-	2,306,016	2,306,016
Deposits	-	2,850	2,850
	<u>7,523,808</u>	<u>5,767,736</u>	<u>13,291,544</u>
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	62,243	62,243
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	936	936
Payable against redemption of units	-	4,209,203	4,209,203
Accrued expenses and other liabilities	-	1,775	1,775
	<u>-</u>	<u>4,274,157</u>	<u>4,274,157</u>

	----- 2024 -----		
	At fair value through profit or loss	At amortised cost	Total
	-----Rupees in '000-----		
Financial assets			
Bank balances	-	865,558	865,558
Investments	3,674,322	-	3,674,322
Profit receivable	-	54,201	54,201
Receivable against conversion of units	-	165,581	165,581
Deposits and other receivables	-	3,932	3,932
	<u>3,674,322</u>	<u>1,089,272</u>	<u>4,763,594</u>
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	62,182	62,182
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	312	312
Payable against redemption of units	-	85,833	85,833
Accrued expenses and other liabilities	-	1,791	1,791
	<u>-</u>	<u>150,118</u>	<u>150,118</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 primarily set up to be performed based on the limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

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 future cash flows of financial instruments will fluctuate as a result of changes in market profit rates. As of June 30, 2025, the Fund is exposed to such risk on its balances held with banks, investment in corporate sukuk certificates, GoP Ijarah sukuks, market treasury bills, term finance certificates and Pakistan Investment Bonds. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

(a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based sukuk certificates, term finance certificates, Pakistan Investment Bonds, Government of Pakistan Ijarah Sukuks and bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 53.08 million (2024: Rs. 22.94 million).

(b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds market treasury bills which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been lower / higher by Rs. 55.83 million (2024: Rs. 22.33 million).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 and June 30, 2024 can be determined as follows:

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

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

Financial assets

Bank balances	0.10% - 11.55%	3,367,583	-	-	3,307	3,370,890
Investments	11.06% - 13.69%	2,773,972	3,049,045	1,700,791	-	7,523,808
Profit receivable		-	-	-	87,980	87,980
Receivable against conversion of units		-	-	-	2,306,016	2,306,016
Deposits		-	-	-	2,850	2,850
		6,141,555	3,049,045	1,700,791	2,400,153	13,291,544

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	62,243	62,243
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	936	936
Payable against redemption of units		-	-	-	4,209,203	4,209,203
Accrued expenses and other liabilities		-	-	-	1,775	1,775
		-	-	-	4,274,157	4,274,157

On-balance sheet gap

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

	-	-	-	-	-
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Off-balance sheet gap

	-	-	-	-	-
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Total profit rate sensitivity gap

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

	6,141,555	9,190,600	10,891,391		
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----- 2024 -----					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

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

Financial assets

Bank balances	11.01% - 22.90%	865,488	-	-	70	865,558
Investments	16.19% - 24.08%	698,337	1,572,356	1,403,629	-	3,674,323
Profit receivable		-	-	-	54,201	54,201
Receivable against issuance of units		-	-	-	165,581	165,581
Deposits		-	-	-	3,932	3,932
		1,563,825	1,572,356	1,403,629	223,784	4,763,595

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	62,182	62,182
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	312	312
Payable against redemption of units		-	-	-	85,833	85,833
Accrued expenses and other liabilities		-	-	-	1,791	1,791
		-	-	-	150,118	150,118
On-balance sheet gap		<u>1,563,825</u>	<u>1,572,356</u>	<u>1,403,629</u>	<u>73,666</u>	<u>4,613,476</u>
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total profit rate sensitivity gap		<u>1,563,825</u>	<u>1,572,356</u>	<u>1,403,629</u>		
Cumulative profit rate sensitivity gap		<u>1,563,825</u>	<u>3,136,181</u>	<u>4,539,810</u>		

(ii) Currency risk

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

(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 instruments traded in the market. The Fund does not have any financial instruments which are subject to price risk as of June 30, 2025.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not hold any instruments that expose it to price risk (other than those arising from profit rate risk or currency risk) as of June 30, 2025.

21.2 Liquidity risk

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

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active or over the counter market and can be readily disposed of and are considered readily realisable.

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year ended June 30, 2025.

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the liabilities that are payable on demand have been included in the maturity grouping of one month.

----- 2025 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

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

Financial liabilities

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

62,243	-	-	-	-	-	62,243
936	-	-	-	-	-	936
4,209,203	-	-	-	-	-	4,209,203
906	869	-	-	-	-	1,775
4,273,288	869	-	-	-	-	4,274,157

----- 2024 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

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

Financial liabilities

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

62,182	-	-	-	-	-	62,182
312	-	-	-	-	-	312
85,833	-	-	-	-	-	85,833
1,112	679	-	-	-	-	1,791
149,439	679	-	-	-	-	150,118

21.3 Credit risk

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

The table below analyses the Fund's maximum exposure to credit risk:

	2025		2024	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees in '000 -----				
Bank balances	3,370,890	3,370,890	865,558	865,558
Investments	7,523,808	1,139,400	3,674,322	453,703
Profit receivable	87,980	66,108	54,201	24,076
Deposits and other receivable	2,850	2,850	3,932	3,932
Receivable against issuance of units	2,306,016	2,306,016	165,581	165,581
	<u>13,291,544</u>	<u>6,885,264</u>	<u>4,763,594</u>	<u>1,512,850</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2025 is the carrying amount of the financial assets. Difference in the balance as per statement of assets and liabilities and maximum exposure to credit risk is due to the fact that investment in market treasury bills Rs. 4,973.017 million (2024: Rs. 2,233.368 million), and Pakistan investment bonds Rs. 1,411.391 million (2024: Rs. 712.058 million) and profit receivable on these securities Rs. 21.872 million (2024: Rs. 30.125 million) are not exposed to credit risk as these are guaranteed by the Government of Pakistan.

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

21.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2025	2024
Bank balances and profit receivable thereon		
AAA	57.25%	1.21%
AA+	0.00%	2.28%
AA	0.05%	1.14%
AA-	3.23%	83.10%
A+	32.11%	11.79%
A-	0.01%	0.38%
A	7.35%	0.05%
Unrated	-	0.05%
	<u>100%</u>	<u>100%</u>

Rating	% of financial assets exposed to credit risk	
	2025	2024
Term finance certificates and sukuk certificates		
AAA	6.59%	-
AA+	8.21%	81.75%
AA	8.00%	-*
AA-	1.11%	2.15%
A+	35.11%	-*
A	-	-*
A-	-	-*
A1	13.16%	-
BBB+	-	16.10%
BBB-	1.49%	-
Unrated	26.33%	-
	100%	100%

*Nil due to rounding off

21.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2025 and June 30, 2024 are unsecured and are not impaired except for those mentioned in note 18 to the financial statements.

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2025 and June 30, 2024, the Fund held the following financial instruments measured at fair value.

----- 2025 -----				
Level 1	Level 2	Level 3	Total	
----- Rupees in 000-----				
At fair value through profit or loss				
Government securities - Market Treasury				
Bills	-	4,973,017	-	4,973,017
Government securities - Pakistan				
investment bonds	-	1,411,391	-	1,411,391
Government securities - GoP Ijarah sukuks	-	-	-	-
Corporate sukuk certificates	102,592	870,653	-	973,245
Term finance certificates	75,000	91,155	-	166,155
	<u>177,592</u>	<u>7,346,216</u>	<u>-</u>	<u>7,523,808</u>

----- 2024 -----				
Level 1	Level 2	Level 3	Total	
----- Rupees in 000-----				
At fair value through profit or loss				
Government securities - Market Treasury				
Bills	-	2,233,368	-	2,233,368
Government securities - Pakistan				
investment bonds	-	712,058	-	712,058
Government securities - GoP Ijarah sukuks	-	275,193	-	275,193
Corporate sukuk certificates	-	261,219	-	261,219
Term finance certificates	-	192,484	-	192,484
	<u>-</u>	<u>3,674,322</u>	<u>-</u>	<u>3,674,322</u>

Valuation technique used in determination of fair values is as follows:

Item	Valuation technique
Government of Pakistan - Ijarah sukuks	The fair value of GoP Ijarah sukuks listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange. The fair value of other GoP Ijarah sukuks are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.
Pakistan Investment Bonds / Market Treasury Bills	The fair value of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.
Term finance certificates	Term finance certificates are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities.
Corporate sukuk certificates	The valuation has been determined through closing rates announced by FMA (Financial Market Association) through Reuters.

There were no transfers between levels during the year.

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

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

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

In accordance with the risk management policies as stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

24 UNIT HOLDING PATTERN OF THE FUND

Category	2025			2024		
	Number of unit holders	Investment amount	% of total	Number of unit holders	Investment amount	% of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	6,060	4,483,972	50.71%	3,660	1,780,690	39.00%
Insurance companies	3	21,801	0.25%	2	-*	-
NBFCs	1	-*	-	1	-*	-
Public limited companies	5	801,404	9.06%	5	-*	-
Retirement funds	50	570,743	6.45%	19	2,365,114	51.80%
Associated companies and directors	5	2,186,574	24.73%	-	-	-
Banks & Development Financial	1	11	-	-	-	-
Others	114	778,622	8.80%	75	420,580	9.20%
	6,239	8,843,127	100%	3,762	4,566,384	100%

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2025 % of commission paid	Name of broker	2024 % of commission paid
MRA Securities Limited	75.65%	Next Capital Limited	70.75%
JS Global Capital Limited	10.94%	Mangenta Capital Private Limited	19.59%
Taurus Securities Limited*	9.01%	Invest One Markets Limited	8.57%
Chase Securities Pakistan (Private) Limited	1.67%	Summit Capital (Private) Limited	1.09%
Mangenta Capital Private Limited	0.95%		
Alfalah Securities (Private) Limited	0.51%		
C & M Management (Private) Limited	0.47%		
Pearl Securities Limited	0.31%		
Summit Capital (Private) Limited	0.22%		
Invest One Markets Limited	0.14%		
	99.87%		100.00%

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	37
Asim Wahab Khan	Chief Investment Officer	CFA	19
Salman Ahmed (note 25.1)	Head of Fixed Income	CFA	20
Hassan Raza	Head of Research	ACCA / BSC / CFA	14
Usama Bin Razi	Senior Manager - Fixed Income	BE, MBA	21

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

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

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 98th, 99th, 100th, 101st, 102nd, 103rd, 104th, and 105th Board Meetings were held on July 26, 2024, August 23, 2024, September 25, 2024, October 24, 2024, October 30, 2024, November 06, 2024, February 26, 2025, and April 30, 2025, 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	8	8	-	-
*Tauqeer Mazhar	1	1	-	-
**Faisal Ahmed	2	2	-	-
Mehnaz Salar	8	8	-	-
Ali Saigol	8	7	1	100th Meeting
Imran Zaffar	8	7	1	98th Meeting
Khalid Mansoor	8	8	-	-
Saad Amanullah Khan	8	8	-	-
***Ruhail Muhammad	6	6	-	-
****Umar Ahsan Khan	0	0	-	-
Amjad Waheed	8	8	-	-

- * Mr. Tauqeer Mazhar resigned from the Board on August 21, 2024.
- ** Mr. Faisal Ahmed was appointed on the Board on August 23, 2024, and his approval was granted by SECP on November 21, 2024.
- *** Mr. Ruhail Muhammad resigned from the Board on December 16, 2024.
- **** Mr. Umar Ahsan Khan was appointed on the Board on March 03, 2025, and his approval was granted by SECP on May 16, 2025.

28 GENERAL

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

29 CORRESPONDING FIGURES

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

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 21, 2025 by the Board of Directors of the Management Company.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

Particulars	For the year ended June 30, 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	For the year ended June 30, 2020
Net assets (Rs. '000')	8,843,127	4,566,384	4,995,128	7,374,543	7,953,620	4,000,417
Net Income / (loss) (Rs. '000')	1,149,886	909,449	881,113	912,546	512,086	596,574
Net Asset Value per units (Rs.)	10.9033	10.8713	10.8454	10.7953	10.7671	10.7550
Offer price per unit	11.0287	10.9941	10.9680	10.9173	10.8888	10.8765
Redemption price per unit	10.9033	10.8713	10.8454	10.7953	10.7671	10.7550
Ex - Highest offer price per unit (Rs.)	11.0287	10.9941	10.9680	10.9173	10.8888	10.8772
Ex - Lowest offer price per unit (Rs.)	9.3461	9.0599	9.4654	9.9389	10.1012	9.4903
Ex - Highest redemption price per unit (Rs.)	10.9033	10.8713	10.8454	10.7953	10.7671	10.7557
Ex - Lowest redemption price per unit (Rs.)	9.2398	8.9586	9.3597	9.8279	9.9883	9.4903
Fiscal Year Opening Ex NAV	9.2357	8.9536	9.3560	9.8237	9.9858	9.4874
Total return of the fund	18.06%	21.35%	15.92%	9.89%	7.82%	13.32%
Capital growth	0.35%	0.22%	0.54%	0.29%	0.12%	0.22%
Income distribution as % of Ex-NAV	17.71%	21.13%	15.38%	9.60%	7.70%	13.10%
Income distribution as % of Par Value	19.25%	22.92%	16.61%	10.34%	8.29%	14.06%
Interim distribution per unit	1.9253	2.2915	1.6607	1.034	0.8285	1.4057
Final distribution per unit	-	-	-	-	-	-
Distribution dates						
Interim	26-Jun-25	27-Jun-24	23-Jun-23	24-Jun-22	28-Jun-21	26-Jun-20
Interim	-	-	-	-	-	-
Final	-	-	-	-	-	-
Average annual return (launch date April 21, 2006)						
(Since inception to June 30, 2025)	9.97%					
(Since inception to June 30, 2024)		9.55%				
(Since inception to June 30, 2023)			8.89%			
(Since inception to June 30, 2022)				8.47%		
(Since inception to June 30, 2021)					8.38%	
(Since inception to June 30, 2020)						8.42%
Portfolio Composition (Please see Fund Manager Report)						
Weighted average portfolio duration	182 days	274 Days	125 Days	15 Days	22 Days	180 Days

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

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