



Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگز

NBP Fund Management Limited



NBP ISLAMIC GOVERNMENT SECURITIES FUND - I

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 Shahr-e-Faisal, Karachi.

Bankers to the Fund

Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Meezan Bank Limited
Soneri Bank Limited
United Bank Limited

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.nbpfonds.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



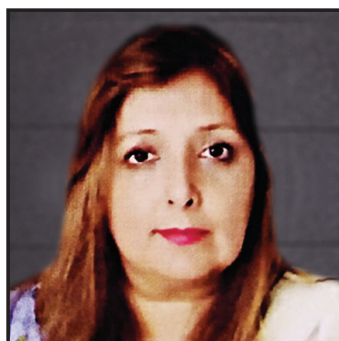
Mr. Faisal Ahmed
Director



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 2nd Annual Report of **NBP Islamic Government Securities Plan- III (NIGSP-III)** for the year ended June 30, 2025.

Fund's Performance

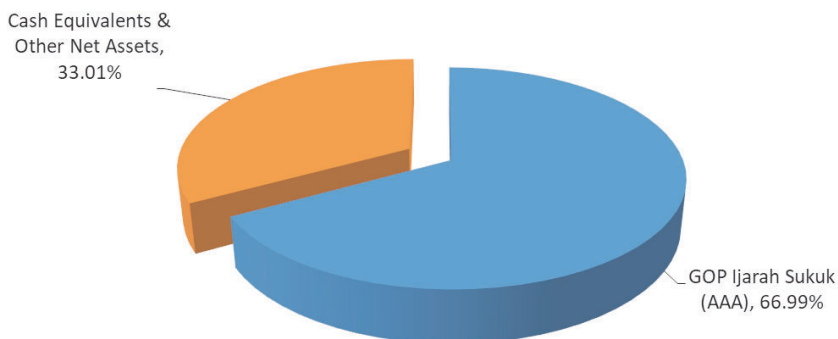
The market witnessed some fresh issuance of shariah compliant corporate sukuks, which helped the undersupplied market for the shariah compliant debt securities. During FY25, Pakistan's Monetary Policy Committee (MPC) reduced the Policy Rate significantly from 20.5% to 11%, responding to a sustained decline 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 \$14.51 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.

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

The size of NBP Islamic Government Securities Plan- III (NIGSP-III) has increased from Rs. 611 million to Rs. 2,807 million, 4.59 times during the period. During the period, the unit price of the Fund has increased from Rs. 8.7398 (Ex-Div) on June 30, 2024 to Rs. 10.0433 on June 30, 2025, thus showing a return of 14.9% as compared to the benchmark return of 13.2% for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 855.30 million during the year. After deducting total expenses of Rs. 81.71 million, the net income is Rs. 773.59 million. The asset allocation of NIGSP-III as on June 30, 2025 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 14.73% of the opening ex-NAV (14.77% 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 resigned in the capacity of Auditor of the Fund. The Board has approved the appointment of Messrs Grant Thornton Anjum Rahman 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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 NBP اسلامک گورنمنٹ سیکورٹیز پلان-III (NIGSP-III) کی دوسری سالانہ رپورٹ برائے سال 30 جون 2025ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

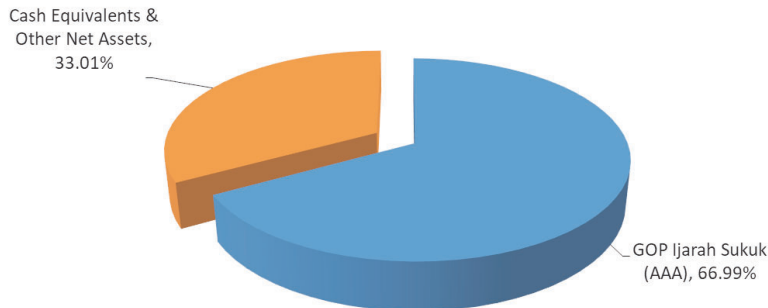
مارکیٹ میں مختصر مدتی کارپوریٹ (Sukuks) کے کچھ نئے اجراء کیے گئے ہیں، جس سے شریعت کے مطابق Debt سیکورٹیز کی کمی پوری کرنے میں مدد ملی۔ مالی سال 2025 کے دوران، پاکستان کی مونوٹری پالیسی کمیٹی (MPC) نے پالیسی ریٹ کو نمایاں طور پر 20.5% سے کم کر کے 11% کر دیا۔ اس اقدام کی بنیادی وجہ مہنگائی میں مسلسل کمی اور بیرونی محاذ پر قابل ذکر بہتری تھی۔ ریٹ میں اس نرمی کے پیچھے عالمی کموڈٹی قیمتوں کا استحکام، خوراک اور توانائی کی مہنگائی میں کمی، مارکیٹ بیلڈز میں نرمی اور ترسیلات زر میں مضبوط اضافہ شامل تھے۔ ملک کے زرمبادلہ کے ذخائر جولائی 2024 میں 9.39 ارب ڈالر سے بڑھ کر مالی سال 2025 کے اختتام تک 14.51 ارب ڈالر تک پہنچ گئے۔ ذخائر میں یہ اضافہ کثیرالاجتی اداروں سے موصولہ رقم اور بیرونی محاذ پر نظم و ضبط پر مبنی میکرو اکنامک مینجمنٹ کے باعث ممکن ہوا۔

حقیقی جی ڈی پی مالی سال 2025 میں 2.7% بڑھا، جو حکومت کے ہدف 3.6% سے کم رہا۔ مہنگائی اوسطاً 4.5% رہی جو بجٹ ہدف 12% سے نمایاں طور پر کم تھی۔ اس کی بنیادی وجوہات میں خوراک اور ایندھن کی قیمتوں میں کمی، محتاط مانیٹری پالیسی، اور پیس ایفیکٹ کے مثبت اثرات شامل تھے۔ اگرچہ نمایاں بہتری ریکارڈ کی گئی، مگر مونوٹری پالیسی کمیٹی (MPC) نے محتاط رویہ برقرار رکھا اور ٹیرف ایڈجسٹمنٹس، عالمی معاشی غیر یقینی صورتحال، مالیاتی کمزوریاں اور ریونیو اکٹھا کرنے میں مشکلات کو خطرات کے طور پر اجاگر کیا۔ اسٹیٹ بینک نے اس بات پر زور دیا کہ ڈھانچہ جاتی اصلاحات، مسلسل مالیاتی نظم و ضبط اور مربوط پالیسی کے نفاذ سے استحکام کو مزید تقویت دی جاسکتی ہے اور مالی سال 2026 میں بحالی کا تسلسل برقرار رکھا جاسکتا ہے۔

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

فنڈ NBP اسلامک گورنمنٹ سیکورٹیز پلان-III (NIGSP-III) کا ساؤتھ ڈیوڈ کے دوران 611 ملین روپے سے 4.59 گنا بڑھ کر 2,807 ملین روپے ہو گیا۔ زیر جائزہ مدت کے دوران، فنڈ نے بونڈ کی قیمت 30 جون 2024 کو 8.7398 (Ex-Div) روپے سے بڑھ کر 10.0433 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 13.2% کے مقابلے میں 14.9% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 855.30 ملین روپے کی مجموعی آمدنی کمائی۔ 81.71 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 773.59 ملین روپے ہے۔ NIGSP-III کی ایسٹ ایبلو کیٹن برطبق 30 جون 2025ء حسب ذیل ہے۔



آمدنی کی تقسیم

مینجمنٹ کمیٹی کے بورڈ آف ڈائریکٹرز نے 30 جون 2025ء سال کے اختتام پر اپروپنگ ex-NAV کا 14.73% (بنیادی قیمت کا 14.77%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

تعمیر

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

آڈٹرز

موجودہ آڈیٹر، میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، فنڈ کے آڈیٹر کی کپسٹی سے مستعفی ہو گئے ہیں۔ بورڈ نے 30 جون 2026 کو ختم ہونے والے سال کی تقرری کے لئے میسرز گرانٹ تھورنٹن انچرمین، چارٹرڈ اکاؤنٹنٹس کی تقرری کی منظوری دے دی ہے۔

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

1. مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شہر یا قریبی 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 مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی روائے دو ادا کرنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیمیل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے آٹھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 27 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیرین مالیاتی گوشواروں کے نوٹ 24 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 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 انٹریسٹ نہیں رکھتی۔ 30 جون 2025 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

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



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 Islamic Government Securities Fund - I (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 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 Islamic Government Securities Plan- III

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

Investment Objective of the Fund

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

Benchmark

90% six (6) months PKISRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.*effective from Jan 01, 2025; Previously Average of 6 months PKISRV Rates

Fund Performance Review

This is the 2nd Annual report since the launch of the Fund on January 19, 2024. The Fund is awarded a stability rating of AA(f) by PACRA The Fund size increased manifold by 4.59 times and stands at Rs. 2.8 billion as of June 30, 2025. Since its inception, the Fund has earned an annualized return of 17.1%% versus the benchmark return of 15.1%, thus registering an outperformance of 2.0% p.a. During FY25, the Fund posted a return of 14.9% as compared to the benchmark return of 13.2% translating into an outperformance of 1.7% p.a. This outperformance is net of management fee and all other expenses.

The market witnessed some fresh issuance of shariah compliant corporate sukuks, which helped the undersupplied market for the shariah compliant debt securities. 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.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-25	30-Jun-24
GOP Ijara Sukuk	66.99%	94.14%
Cash & Other Assets	33.01%	5.86%
Total	100.00%	100.00%

Distribution for the Financial Year 2025

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
June - 2025	14.769%	11.5040	10.0271

Unit Holding Pattern of NBP Islamic Government Securities Plan- III as on June 30, 2025

Size of Unit Holding (Units)	# of Unit Holders
0-1	85
1-1000	346
1001-5000	109
5001-10000	50
10001-50000	125
50001-100000	54
100001-500000	104
500001-1000000	34
1000001-5000000	49
5000001-10000000	6
10000001-100000000	2
Total	964

During the period under question

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

STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NBP Islamic Government Securities Fund I (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2025. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: **August 21, 2025**
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer

REPORT OF THE SHARI'AH SUPERVISORY BOARD

September 23, 2025/ Rabi ul Awal 29, 1447

Alhamdulillah, the period from July 1, 2024 to June 30, 2025 marks the Second year of the operations of NBP Islamic Government Securities Funds - I (the "NIGSF-I" or the "Fund") under management of NBP Funds Management Limited (the "NBP Funds" or the "Management Company"). Under this fund, NBP Funds launched its NBP Islamic Government Securities Plan- III (the "NIGSP-III" or the "Plan") on 19 January, 2024.

In the capacity of Shariah Supervisory Board (the "SSB"), we have prescribed specific criteria and procedures to ensure that every investment aligns with Shariah principles and rules.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah principles, policies and guidelines issued by the SSB and Shariah Governance Regulations issued by Securities and Exchange Commission of Pakistan. The prime responsibility for ensuring Shariah compliance of the Fund operations lies with the Board of Directors and Executive Management.

Based on our day-to-day reviews during the year and subsequent approvals for investments and related activities of the Fund, we hereby confirm that:

- i. The modes of investments, transactions, relevant documentation and procedures adopted have been in accordance with Shariah principles and rules
- ii. The affairs of the Fund have been carried out in accordance with Shariah principles and rules and relevant Shariah opinions and/or guidelines were issued accordingly from time to time

Based on the above facts, SSB is of the opinion that during the year, nothing has come to our attention that causes us to believe that overall operations of the Fund for the year ended June 30, 2025 are not in compliance with the Shariah principles and rules. The Management Company is advised to comply with the SSB guidelines in true letter and spirit.

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Technical Services & Support

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

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waqar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board

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

To The Board of Directors of NBP Fund Management Limited

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of **NBP Islamic Government Securities Fund - I** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the period ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the period ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

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

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

The above criteria were evaluated for their implications on the financial statements of the Fund for the period ended June 30, 2025, which are annexed.

3. Management's Responsibility for Shariah Compliance

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

4. Our Independence and Quality Control

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

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

5. Our Responsibility and Summary of the Work Performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications, with Shariah principles in all material respects for the period ended June 30, 2025, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

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

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

6. Conclusion

Based on our reasonable assurance engagement, we report that, in our opinion, the Fund's financial arrangements, contracts, and transactions for the period ended June 30, 2025 are in compliance with the Shariah principles (criteria specified in paragraph 2 above), in all material respects.

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

Yousuf Adil
Chartered Accountants

Date: **September 04, 2025**
Place: Karachi

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Islamic Government Securities Fund - I

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NBP Islamic Government Securities Fund - I** (the Fund / 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 5 and 6 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. 222.781 million and investments amounted to Rs. 1,880.135 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
- 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

Dated: September 04, 2025

UDIN: AR202510061torLFVqnU

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2025

	Note	2025 ----- Rupees in '000 -----	2024 ----- Rupees in '000 -----
Assets			
Bank balances	5	222,781	19,194
Receivable against conversion of units		1,005,681	-
Investments	6	1,880,135	575,460
Profit receivable	7	33,304	18,363
Deposit and prepayments	8	196	254
Preliminary expenses and floatation costs	9	374	557
Total assets		3,142,471	613,828
Liabilities			
Payable to NBP Fund Management Limited - the Management Company	10	12,658	1,249
Payable to Central Depository Company of Pakistan Limited - the Trustee	11	241	45
Payable to the Securities and Exchange Commission of Pakistan	12	199	45
Payable against redemption of units		292,321	-
Accrued expenses and other liabilities	13	30,430	1,196
Total liabilities		335,849	2,535
Net Assets		2,806,622	611,293
Unit Holders' Fund (as per statement attached)		2,806,622	611,293
Contingencies and commitments	14		
Number of units			
Number Of Units In Issue	15	279,452,673	60,964,377
----- (Rupees) -----			
Net Asset Value Per Unit		10.0433	10.0271

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

	For the year ended June 30, 2025	For the period from January 19, 2024 to June 30, 2024
Note ----- Rupees in '000 -----		
Income		
Income on GoP ijarah sukuks certificates	708,210	44,029
Profit on bank balances	174,975	5,855
Net realised loss on sale of investments	(44,027)	(262)
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	6.2 16,137	1,794
Total income	855,295	51,416
Expenses		
Remuneration of NBP Fund Management Limited - the Management Company	10.1 52,089	1,847
Sindh sales tax on remuneration of the Management Company	10.2 7,813	240
Reimbursement of allocated expenses	10.3 1,822	-
Sindh sales tax on Reimbursement of allocated expenses	10.2 273	-
Reimbursement of selling and marketing expenses	10.4 6,375	-
Sindh sales tax on Reimbursement of selling and marketing expenses	10.2 956	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	11.1 3,553	135
Sindh sales tax on remuneration of the Trustee	11.2 533	18
Fee to the Securities and Exchange Commission of Pakistan	12.1 4,845	185
Amortisation of preliminary expenses and floatation costs	9 183	53
Auditors' remuneration	16 837	228
Legal and professional charges	75	50
Annual listing fee	29	26
Shariah advisory fee	625	31
Settlement and bank charges	606	32
Printing charges	50	5
Securities transaction cost	823	8
Annual rating fee	220	48
Total expenses	81,707	2,906
Net income for the year / period before taxation	773,588	48,510
Taxation	17 -	-
Net income for the year / period after taxation	773,588	48,510
Allocation of net profit for the year / period:		
Net income for the year / period after taxation	773,588	48,510
Income already paid on units redeemed	(679,021)	(24,850)
	94,567	23,660
Accounting income available for distribution:		
- Relating to capital gains	-	1,532
- Excluding capital gains	94,567	22,128
	94,567	23,660

The annexed notes 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

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

	For the year ended June 30, 2025	For the period from January 19, 2024 to June 30, 2024
	----- Rupees in '000 -----	
Net income for the year / period after taxation	773,588	48,510
Other comprehensive income for the year / period	-	-
Total comprehensive income for the year / period	773,588	48,510

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2025

	For the year ended June 30, 2025			For the period from January 19, 2024 to June 30, 2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Net assets at the beginning of the year / period	609,648	1,645	611,293	-	-	-
Issuance of 2,258,464,476 units (2024, 113,990,753 units)						
- Capital value (at net asset value per unit at the beginning of year / period)	22,645,849	-	22,645,849	1,139,907	-	1,139,907
- Element of income	1,667,791	-	1,667,791	32,250	-	32,250
Total proceeds on issuance of units	24,313,640	-	24,313,640	1,172,157	-	1,172,157
Redemption of 2,039,976,180 units (2024, 53,026,376 units)						
- Capital value (at net asset value per unit at the beginning of year / period)	(20,455,045)	-	(20,455,045)	(530,264)	-	(530,264)
- Element of loss	(1,555,256)	(679,021)	(2,234,277)	(7,545)	(24,850)	(32,395)
Total payments on redemption of units	(22,010,301)	(679,021)	(22,689,322)	(537,809)	(24,850)	(562,659)
Total comprehensive income for the year / period	-	773,588	773,588	-	48,510	48,510
Interim distribution for the period ended June 30, 2024 @ Rs. 0.1178 per unit declared on February 7, 2024	-	-	-	(1,352)	(661)	(2,013)
Final distribution for the period ended June 30, 2024 @ Rs. 0.7752 per unit declared on June 27, 2024	-	-	-	(23,348)	(21,354)	(44,702)
Final distribution for the year ended June 30, 2025 @ Rs. 1.4769 per unit declared on June 24, 2025	(111,288)	(91,289)	(202,577)	-	-	-
	(111,288)	(91,289)	(202,577)	(24,700)	(22,015)	(46,715)
Net assets at the end of the year / period	2,801,699	4,923	2,806,622	609,648	1,645	611,293
Undistributed income brought forward						
- Realised loss		(149)			-	
- Unrealised income		1,794			-	
		1,645			-	
Accounting income available for distribution:						
- Relating to capital gains		-			1,532	
- Excluding capital gains		94,567			22,128	
		94,567			23,660	
Distributions during the year / period		(91,289)			(22,015)	
Undistributed income carried forward		4,923			1,645	
Undistributed income carried forward:						
- Realised loss		(11,214)			(149)	
- Unrealised income		16,137			1,794	
		4,923			1,645	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year / period			10.0271			-
Net asset value per unit at the end of the year / period			10.0433			10.0271

The annexed notes 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

	For the year ended June 30, 2025	For the period from January 19, 2024 to June 30, 2024
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year / period before taxation	773,588	48,510
Adjustments:		
Income on GoP ijarah sukuks certificates	(708,210)	(44,029)
Profit on bank balances	(174,975)	(5,855)
Net realised loss on sale of investments	44,027	262
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	6.2 (16,137)	(1,794)
Amortisation of preliminary expenses and floatation costs	9 183	53
	(855,112)	(51,363)
(Increase) / decrease in assets		
Investments - net	(1,332,565)	(573,928)
Preliminary expenses and floatation costs	-	(610)
Deposit and prepayments	58	(254)
	(1,332,507)	(574,792)
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - the Management Company	11,409	1,249
Payable to Central Depository Company of Pakistan Limited - the Trustee	196	37
Payable to the Securities and Exchange Commission of Pakistan	154	45
Accrued expenses and other liabilities	29,234	1,204
	40,993	2,535
Profit received on bank balances and GoP Ijara sukuks certificates	868,244	31,521
Net cash used in operating activities	(504,794)	(543,589)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units - net of refund of capital	23,196,671	1,147,457
Amount paid against redemption of units	(22,397,001)	(562,659)
Dividend paid	(91,289)	(22,015)
Net cash generated from financing activities	708,381	562,783
Net increase in cash and cash equivalents during the year / period	203,587	19,194
Cash and cash equivalents at the beginning of the year / period	19,194	-
Cash and cash equivalents at the end of the year / period	5.2 <u>222,781</u>	<u>19,194</u>

The annexed notes 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Islamic Government Securities Fund - I (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company ('The Management Company') and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 26, 2023, in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund has been categorised as an open ended Shariah compliant 'Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - Initial Public Offering at a par value of Rs 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from January 19, 2024 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of the Fund is to offer attractive returns, by investing primarily in Shariah Compliant Government Securities. The investment objectives and policies are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on May 05, 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 given the stability rating of the Fund to AA(f) on April 17, 2025 (2024: AA(f) on March 13, 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 PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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 VIII A 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.

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

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

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

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

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

3.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (note 4.1 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments that have been measured at fair values. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 22.

3.6 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Financial assets

4.1.1 Initial recognition and measurement

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

4.1.2 Classification and subsequent measurement

Debt instruments (include GoP ijarah sukuks certificates)

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

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

based on the business model of the entity.

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

4.1.3 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at amortised cost.

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

4.1.4 Impairment (other than debt securities)

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

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

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

4.1.5 Impairment loss on debt securities

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

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

4.1.6 Regular way contracts

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

4.1.7 Derecognition

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

4.2 Financial liabilities

4.2.1 Classification and subsequent measurement

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

4.2.2 Derecognition

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

4.3 Offsetting of financial assets and financial liabilities

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

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

4.4 Provisions

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

4.5 Net asset value per unit

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

4.6 Issue and redemption of units

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

Units redeemed are recorded at the redemption price applicable to units for which the Management Company/ distributors receive redemption application during business hours of that day. The redemption price is equal to the NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

4.7 Distributions to unit holders

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

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

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

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income / (loss) is a transaction of capital nature and the receipt and payment of element of income / (loss) is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.9 Revenue recognition

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

- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which these arise;
- Income on GoP ijarah sukuk certificates is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Profit on bank balances is recognised on time proportion basis using the effective yield method. Second Schedule of the Income Tax Ordinance, 2001.

4.10 Expenses

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

4.11 Preliminary expenses and floatation costs

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

4.12 Taxation

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

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

		2025	2024
	Note	----- Rupees in '000 -----	
5	BANK BALANCES		
	Savings accounts	221,994	19,194
	Current accounts	786	-
		222,781	19,194

- 5.1 These include balances of Rs. 0.435 million (2024: Rs. Nil) maintained with the National Bank of Pakistan (a related party) that carry profit at the rate of 6% (2024: 20.5%). Other savings accounts of the Fund carry profit at the rates ranging from 0.1% to 10.4% (2024: 19.7% to 20.97%) per annum.

		2025	2024
	Note	----- Rupees in '000 -----	
5.2	Cash and cash equivalent		
	Bank Balances	222,781	19,194

6 INVESTMENTS

At fair value through profit or loss

	GoP ijarah sukuks certificates	6.1	1,880,135	575,460
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6.1 GoP ijarah sukuks certificates

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate / yield	As at July 1, 2024	Purchased during the year	Sold / matured 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		
												total investments of the Fund	net assets of the Fund	
												%		
												%		
GoP Ijarah sukuk GIS - VRR - XXXVII (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	August 7, 2023	August 7, 2024	Weighted average 6 months T-Bills	1,000	-	1,000	-	-	-	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XXXIX (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	October 9, 2023	October 9, 2024	Weighted average 6 months T-Bills	70	2,500	2,570	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - FRR - XXXIX (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	October 9, 2023	October 9, 2024	22.49%	680	-	680	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - VRR - XL (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	December 4, 2023	December 4, 2024	Weighted average 6 months T-Bills	500	2,750	3,250	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate)	At maturity	March 14, 2024	March 14, 2025	21.39%	1,000	-	1,000	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate)	At maturity	April 26, 2024	April 25, 2025	22.75%	36,000	-	36,000	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - VRR - XVIII (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	April 30, 2020	April 30, 2025	Weighted average 6 months T-Bills	-	148	148	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXIX (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	May 29, 2020	May 29, 2025	Weighted average 6 months T-Bills	-	6,000	6,000	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate)	At maturity	July 26, 2024	July 25, 2025	17.23%	-	11,000	10,001	999	4,951	4,965	13	0.26%	0.18%	
GoP Ijarah sukuk GIS - VRR - XXI (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	July 29, 2020	July 29, 2025	Weighted average 6 months T-Bills	150	22,900	23,050	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	At maturity	August 16, 2024	August 15, 2025	15.99%	-	100,000	5	99,995	491,987	494,175	2,188	26.28%	17.61%	
GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate)	At maturity	September 18, 2024	September 17, 2025	15.00%	-	150,000	150,000	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate)	At maturity	October 21, 2024	October 20, 2025	11.75%	-	25,000	2	24,998	120,992	121,415	423	6.46%	4.33%	
GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate)	At maturity	November 7, 2024	November 6, 2025	11.00%	-	202,401	202,005	396	1,775	1,914	139	0.10%	0.07%	
GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate)	At maturity	December 4, 2024	December 3, 2025	11.00%	-	300,000	281,422	18,578	89,088	88,998	(90)	4.73%	3.17%	
GoP Ijarah sukuk GIS - Listed Sukuk Discounted (Face value of Rs. 5,000 per certificate)	At maturity	January 9, 2025	January 8, 2026	10.42%	-	37,500	-	37,500	178,234	178,420	186	9.49%	6.36%	
GoP Ijarah sukuk GIS - VRR - XXIII (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	October 6, 2021	October 6, 2026	Weighted average 6 months T-Bills	-	850	850	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - VRR - XXIV (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	October 29, 2021	October 29, 2026	Weighted average 6 months T-Bills	59	-	-	59	5,961	5,959	(2)	0.32%	0.21%	
GoP Ijarah sukuk GIS - VRR - XLI (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	December 4, 2023	December 4, 2026	Weighted average 6 months T-Bills	700	1,511	2,200	11	1,477	1,107	(370)	0.06%	0.04%	
GoP Ijarah sukuk GIS - FRR - XXXIII (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	December 4, 2023	December 4, 2026	Weighted average 6 months T-Bills	-	2,050	2,050	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - VRR - XXV (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	April 27, 2022	April 27, 2027	Weighted average 6 months T-Bills	-	9,400	9,400	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXVIII (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	June 28, 2024	June 28, 2027	Weighted average 6 months T-Bills	-	5,000	-	5,000	25,449	25,243	(207)	1.34%	0.90%	
GoP Ijarah sukuk GIS - Listed Sukuk FRR - XVIII (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	September 18, 2024	September 18, 2027	13.89%	-	12,500	-	12,500	62,500	66,250	3,750	3.52%	2.36%	
GoP Ijarah sukuk GIS - Listed Sukuk VRR - XVIII (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	September 18, 2024	September 18, 2027	Weighted average 6 months T-Bills	-	82,500	-	82,500	412,500	415,841	3,341	22.12%	14.82%	
GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXI (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	October 21, 2024	October 21, 2027	Weighted average 6 months T-Bills	-	25,000	-	25,000	125,494	126,038	544	6.70%	4.49%	
GoP Ijarah sukuk GIS - Listed Sukuk FRR - XXI (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	October 21, 2024	October 21, 2027	12.00%	-	12,500	-	12,500	63,255	64,331	1,076	3.42%	2.29%	
GoP Ijarah sukuk GIS - VRR - XXVI (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	October 26, 2022	October 26, 2027	Weighted average 6 months T-Bills	30	-	-	30	3,017	3,045	28	0.16%	0.11%	
GoP Ijarah sukuk GIS - VRR - XLII (Face value of Rs. 100,000 per certificate)	Semi-annually / At maturity	December 4, 2023	December 4, 2028	Weighted average 6 months T-Bills	950	15,000	15,950	-	-	-	-	-	-	
GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXVIII (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	June 28, 2024	June 28, 2029	Weighted average 6 months T-Bills	-	5,000	-	5,000	25,565	25,265	(300)	1.34%	0.90%	
GoP Ijarah sukuk GIS - Listed Sukuk VRR - XVIII (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	September 18, 2024	September 18, 2029	Weighted average 6 months T-Bills	-	12,500	-	12,500	62,500	63,644	1,144	3.39%	2.27%	
GoP Ijarah sukuk GIS - Listed Sukuk VRR - XXI (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	October 21, 2024	October 21, 2029	Weighted average 6 months T-Bills	-	25,000	-	25,000	125,781	127,313	1,531	6.77%	4.54%	
GoP Ijarah sukuk GIS - Listed Sukuk FRR - XXI (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	October 21, 2024	October 21, 2029	12.10%	-	12,500	-	12,500	63,470	66,213	2,742	3.52%	2.36%	
Total as at June 30, 2025									1,863,998	1,880,135	16,137	100%	67%	
Total as at June 30, 2024									573,666	575,460	1,794	99.97%	94.14%	

		2025	2024
	Note	----- Rupees in '000 -----	
6.2	Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss' - net		
	Market value of investments	1,880,135	575,460
	Less: carrying value of investments	(1,863,998)	(573,666)
		<u>16,137</u>	<u>1,794</u>
7	PROFIT RECEIVABLE		
	Profit receivable on:		
	Bank balances	6,574	1,052
	GoP ijarah sukuks certificates	26,730	17,311
		<u>33,304</u>	<u>18,363</u>
8	DEPOSITS AND PREPAYMENTS		
	Security deposit with Central Depository Company of Pakistan Limited - the Trustee *	100	100
	Prepaid rating fee	96	124
	Prepaid settlement charges	-	31
		<u>196</u>	<u>254</u>
	* related party balance		
9	PRELIMINARY EXPENSES AND FLOATATION COSTS		
	At the beginning of the year / period	557	-
	Preliminary expenses and floatation costs incurred	-	610
	Less: amortisation during the year / period	(183)	(53)
	At the end of the year / period	<u>374</u>	<u>557</u>
9.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are paid by NBP Fund Management Limited (a related party). These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.		
10	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY		
	Remuneration payable to the Management Company	3,137	447
	Sindh sales tax on remuneration payable to the Management Company	471	58
	Allocated expenses payable	1,822	-
	Sindh sales tax on allocated expenses payable	273	-
	Sales and transfer load payable	2,977	82
	Sindh sales tax payable on sales load and transfer load payable	446	11
	Alternate delivery channel charges payable including Sindh sales tax	644	-
	Selling and marketing expenses payable	1,946	-
	Sindh sales tax on selling and marketing expenses payable	292	-
	Other payable	650	651
		<u>12,658</u>	<u>1,249</u>

- 10.1** As per regulation 61 of the NBFC Regulations, 2008, 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 remuneration under the following rates:

2025					2024
From July 01, 2024 to November 24, 2024	From November 25, 2024 to December 08, 2024	From December 09, 2024 to January 12, 2025	From January 13, 2025 to January 15, 2025	From January 16, 2025 to June 30, 2025	From January 19, 2024 to June 30, 2024
0.75% of average annual net assets	0.45% of average annual net assets	0.25% of average annual net assets	0.75% of average annual net assets	1.18% of average annual net assets	0.75% of average annual net assets

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 a "Income Scheme". This revision is effective from July 01, 2025.

- 10.2** During the year, an amount of Rs. 7.813 million (2024: Rs.0.240 million) was charged on account of sales tax on management fee levied through Sindh sales tax on Services Act, 2011 at the rate of 15% (2024: 13%).

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.

- 10.3** In accordance with Regulation 60 of the NBFC Regulations, an asset 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 accounting and operational charges under the following rates:

2025			2024
From July 01, 2024 to November 24, 2024	From November 25, 2024 to January 12, 2025	From January 13, 2025 to June 30, 2025	From January 19, 2024 to June 30, 2024
Nil	0.1% of average annual net assets	Nil	Nil

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.

- 10.4** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC regulations, 2008.

2025				2024
From July 01, 2024 to November 24, 2024	From November 25, 2024 to December 08, 2024	From December 09, 2024 to January 12, 2025	From January 13, 2025 to June 30, 2025	From January 19, 2024 to June 30, 2024
Nil	0.2% of average annual net assets	0.4% of average annual net assets	Nil	Nil

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.

		2025	2024
	Note	----- Rupees in '000 -----	
11	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY		
	Trustee fee payable	11.1 146	33
	Sindh sales tax payable on trustee fee	11.2 22	4
	Settlement charges payable	73	8
		<u>241</u>	<u>45</u>

11.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.055% (2024: 0.055%) per annum of the average annual net assets of the Fund.

11.2 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.

		2025	2024
	Note	----- Rupees in '000 -----	
12	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Fee payable	12.1 199	45

12.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% (2024: 0.075%) of the average annual net assets of the Fund.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

		2025	2024
		----- Rupees in '000 -----	
13	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration payable	577	228
	Legal and professional charges payable	125	50
	Shariah advisory fee payable	656	31
	Withholding tax payable	7,716	259
	Capital gain tax payable	20,478	617
	Printing charges payable	15	5
	Bank and settlement charges payable	863	6
		<u>30,430</u>	<u>1,196</u>

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2025 and June 30, 2024.

		2025	2024
		Number of units	
15	NUMBER OF UNITS IN ISSUE		
	Total units in issue at the beginning of the year / period	60,964,377	-
	Units issued during the year / period	2,258,464,476	113,990,753
	Less: units redeemed during the year / period	<u>(2,039,976,180)</u>	<u>(53,026,376)</u>
	Total units in issue at the end of the year / period	<u>279,452,673</u>	<u>60,964,377</u>

	For the year ended June 30, 2025	For the period from January 19, 2024 to June 30, 2024
	2025	2024
	----- Rupees in '000 -----	
16 AUDITORS' REMUNERATION		
Annual audit fee	196	138
Fee for half yearly review of condensed interim financial statements	65	71
Other certifications	459	-
Out of pocket expenses and Sindh sales tax	117	19
	<u>837</u>	<u>228</u>

17 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.

18 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current year results is 1.26% (2024: 1.17%) which includes 0.22% (2024: 0.18%) representing government levies such as sales taxes and SECP fee. The TER excluding government levies is 1.02% (2024: 0.99%) which is within the prescribed limit of 2.50% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an 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 10.1 to these financial statements.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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 CISs or their connected persons have material interest. Connected persons also include any person or company beneficially owing directly or indirectly 10% or more of net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with related parties / connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with related parties / connected persons 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.

	For the year ended June 30, 2025	For the period from January 19, 2024 to June 30, 2024
----- Rupees in '000 -----		
Details of transactions with related parties / connected persons during the year / period are as follows:		
NBP Fund Management Limited - the Management Company		
Remuneration of NBP Fund Management Limited - the Management Company	52,089	1,847
Sindh sales tax on remuneration of the Management Company	7,813	240
Reimbursement of allocated expenses	1,822	-
Sindh sales tax on Reimbursement of allocated expenses	273	-
Reimbursement of selling and marketing expenses	6,375	-
Sindh sales tax on Reimbursement of selling and marketing expenses	956	-
Sales load and Sindh sales tax on sales load	49,067	93
Alternate delivery channel charges and Sindh sales tax on Alternate delivery channel charges	849	-
National Bank of Pakistan (Parent of the Management Company)		
Bank profits earned in the savings account	8	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Central Depository Company of Pakistan Limited - the Trustee	3,553	135
Sindh sales tax on remuneration of the Trustee	533	18
Settlement charges	65	17
Employees of NBP Fund Management Limited		
Units issued: 48,682,992 units (2024: 775,024 units)	526,277	8,255
Dividend re-invested: 8,336 units (2024: 11 units) *	84	-
Units redeemed: 47,306,605 units (2024: 745,542 units)	522,255	8,013
Gharibwal Cement Limited - more than 10% holding		
Units issued: 59,225,195 units (2024: Nil units)	594,283	-
CDC Trustee NBP Financial Sector Income Fund		
Purchase of sukuk certificates	106,073	-
CDC Trustee NBP Income Opportunity Fund		
Purchase of sukuk certificates	106,073	-
CDC Trustee NBP Islamic Income Fund		
Purchase of sukuk certificates	209,298	-
CDC Trustee NBP Islamic Mahana Amdani Fund		
Purchase of sukuk certificates	270,839	-
Sale of sukuk certificates	2,375,606	-
CDC Trustee NBP Islamic Money Market Fund		
Sale of sukuk certificates	491,808	-

	For the year ended June 30, 2025	For the period from January 19, 2024 to June 30, 2024
----- Rupees in '000 -----		
CDC Trustee NBP Islamic Savings Fund		
Sale of sukuk certificates	605,132	-
CDC Trustee NBP Riba Free Savings Fund		
Sale of sukuk certificates	510,779	-
Portfolio managed by Management Company		
Units issued: 68,933,963 units (2024: 38,556,327 units)	697,851	387,775
Dividend re-invested: 3,291,935 units (2024: 576,690 units)	33,017	5,772
Units redeemed: 56,763,912 units (2024: 17,041,752 units)	614,069	191,147
Purchase of sukuk certificates	20,226	32,078
	June 30, 2025	June 30, 2024
----- Rupees in '000 -----		
Amounts / balances outstanding as at year / period end are as follows		
NBP Fund Management Limited - the Management Company		
Remuneration payable to the Management Company	3,137	447
Sindh sales tax on remuneration payable to the Management Company	471	58
Allocated expenses payable	1,822	-
Sindh sales tax on allocated expenses payable	273	-
Sales and transfer load payable	2,977	82
Sindh sales tax payable on sales load	446	11
ADC charges payable including Sindh sales tax	644	-
Selling and marketing expenses payable	1,946	-
Sindh sales tax on selling and marketing expenses payable	292	-
Other payable	650	651
National Bank of Pakistan - Parent of the Management Company		
Bank Balance	435	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable to the Trustee	146	33
Sindh sales tax payable on the Trustee remuneration	22	4
Settlement charges payable	73	8
Security deposit with Central Depository Company of Pakistan Limited - the Trustee	100	100
Employees of NBP Fund Management Limited		
Units held: 1,414,216 units (2024: 29,493 units)	14,203	296
Gharibwal Cement Limited - more than 10% holding		
Units held: 59,225,195 units (2024: Nil units) **	594,816	-
Portfolio managed by Management Company **		
Units held: 35,711,943 units (2024: 21,224,282 units)	358,666	212,818

* Nil due to rounding off.

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

20 FINANCIAL INSTRUMENTS BY CATEGORY

	2025		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----			
Financial assets			
Bank balances	222,781	-	222,781
Receivable against conversion of units	1,005,681	-	1,005,681
Investments	-	1,880,135	1,880,135
Profit receivable	33,304	-	33,304
Deposit	100	-	100
	<u>1,261,866</u>	<u>1,880,135</u>	<u>3,142,001</u>
Financial liabilities			
Payable against redemption of units	292,321	-	292,321
Payable to NBP Fund Management Limited - the Management Company	12,658	-	12,658
Payable to Central Depository Company of Pakistan Limited - the Trustee	241	-	241
Accrued expenses and other liabilities	2,236	-	2,236
	<u>307,456</u>	<u>-</u>	<u>307,456</u>

	2024		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----			
Financial assets			
Bank balances	19,194	-	19,194
Receivable against conversion of units	-	-	-
Investments	-	575,460	575,460
Profit receivable	18,363	-	18,363
Deposits	100	-	100
	<u>37,657</u>	<u>575,460</u>	<u>613,117</u>
Financial liabilities			
Payable against redemption of units	-	-	-
Payable to NBP Fund Management Limited - the Management Company	1,249	-	1,249
Payable to Central Depository Company of Pakistan Limited - the Trustee	45	-	45
Accrued expenses and other liabilities	320	-	320
	<u>1,614</u>	<u>-</u>	<u>1,614</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance. 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 limits established by the Management Company, the constitutive documents of the Fund, the NBFC Regulations and the directives issued by the SECP. These limits reflect the business strategy and market environment of

the Fund as well as the level of 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 and the regulations laid down by the SECP.

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2025, the Fund is exposed to such risk on its balances held with banks and investments in GoP Ijarah sukuks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances and GoP Ijarah sukuk certificates which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 10.15 million (2024: Rs. 3.65 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds GoP Ijarah sukuk certificates which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 10.87 million (2024: Rs. 2.29 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.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for 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 can be determined as follows:

2025					
Effective yield / 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	0.1-10.4	221,995	-	-	786
Receivable against conversion of units		-	-	-	1,005,681
Investments	10.42-17.23	-	-	793,453	1,086,681
Profit receivable		-	-	-	33,304
Deposit		-	-	-	100
		221,995	-	793,453	2,126,552
					3,142,001
Financial liabilities					
Payable against redemption of units		-	-	-	292,321
Payable to NBP Fund Management Limited - the Management Company		-	-	-	12,658
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	241
Accrued expenses and other liabilities		-	-	-	2,236
		-	-	-	307,456
		-	-	-	307,456
On-balance sheet gap (a)		221,995	-	793,453	1,819,096
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a +b)		221,995	-	793,453	
Cumulative profit rate sensitivity gap		221,995	221,995	1,015,448	

2024					
Effective yield / 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	19.70-20.97	19,194	-	-	-
Receivable against conversion of units		-	-	-	-
Investments	19.99-22.75	-	160,763	414,697	-
Profit receivable		-	-	-	18,363
Deposits		-	-	-	100
		19,194	160,763	414,697	18,463
					613,117
Financial liabilities					
Payable against redemption of units		-	-	-	-
Payable to NBP Fund Management Limited - the Management Company		-	-	-	1,249
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	45
Accrued expenses and other liabilities		-	-	-	320
		-	-	-	1,614
		-	-	-	1,614
On-balance sheet gap (a)		19,194	160,763	414,697	16,849
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a +b)		19,194	160,763	414,697	
Cumulative profit rate sensitivity gap		19,194	179,957	594,654	

(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 profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not have any financial instrument which is subject to price 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 redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

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 assets and financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting year to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including balances with banks have been included in the maturity grouping of one month:

	2025						Total
	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	
----- (Rupees in '000) -----							
Financial liabilities							
Payable against redemption of units	292,321	-	-	-	-	-	292,321
Payable to NBP Fund Management Limited - the Management Company	12,658	-	-	-	-	-	12,658
Payable to Central Depository Company of Pakistan Limited - the Trustee	241	-	-	-	-	-	241
Accrued expenses and other liabilities	1,659	577	-	-	-	-	2,236
	306,879	577	-	-	-	-	307,456

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 against redemption of units	-	-	-	-	-	-
Payable to NBP Fund Management Limited - the Management Company	1,249	-	-	-	-	1,249
Payable to Central Depository Company of Pakistan Limited - the Trustee	37	-	-	-	-	37
Accrued expenses and other liabilities	100	228	-	-	-	328
	<u>1,386</u>	<u>228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,614</u>

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) -----

Financial assets

Bank balances	222,781	222,781	19,194	19,194
Investments	1,880,135	-	575,460	-
Profit receivable	33,304	6,574	18,363	1,052
Deposits	100	100	100	100
Receivable against conversion of units	1,005,681	1,005,681	-	-
	<u>3,142,001</u>	<u>229,455</u>	<u>613,117</u>	<u>20,346</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2025 is the carrying amount of the financial assets. Investment in government securities and its accrued profit, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

21.3.2 Credit quality of financial assets

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

	% of financial assets exposed to credit risk	
	2025	2024
Bank balances and accrued profit thereon		
AAA	0.65%	-
AA	25.64%	0.16%
AA-	73.71%	99.84%
	<u>100.00%</u>	<u>100.00%</u>

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 are unsecured and are not impaired.

22 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 tradeable in an open market are revalued at market prices prevailing on the Statement of Assets and Liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values.

22.1 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, the Fund held the following financial instruments measured at fair value:

----- As at June 30, 2025 -----			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

At fair value through profit or loss

GoP Ijarah sukuks certificates	1,870,024	10,111	-	1,880,135
	<u>1,870,024</u>	<u>10,111</u>	<u>-</u>	<u>1,880,135</u>

----- As at June 30, 2025 -----			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

At fair value through profit or loss

GoP Ijarah sukuks certificates	160,763	414,697	-	575,460
	<u>160,763</u>	<u>414,697</u>	<u>-</u>	<u>575,460</u>

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

Item	Valuation technique
Government of Pakistan - Ijarah sukuks - Listed on PSX	The fair value of GoP Ijarah sukuks listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange.
Government of Pakistan - Ijarah sukuks - Other than Listed on PSX	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.

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, 2008 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	June 30, 2025			June 30, 2024		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	920	1,185,777	42.25%	24	116,264	19.02%
Retirement funds	34	870,627	31.02%	30	458,176	74.95%
Public Limited Company	1	594,815	21.19%	-	-	-
Others	9	155,403	5.54%	2	36,853	6.03%
	964	2,806,622	100.00%	56	611,293	100.00%

25 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2025 % of commission paid	2024 % of commission paid
J.S. Global Capital Limited	38.68%	-
Continental Exchange Private Limited	26.04%	-
AKD Securities Limited	11.29%	32.97%
C & M Management Private Limited	10.69%	-
Invest One Markets Limited	8.57%	-
Paramount Capital Private Ltd	4.73%	14.83%
Alfalsh Securities Private Ltd	-	52.20%
	100.00%	100.00%

25.1 The Fund has traded with only the above mentioned brokers / dealers during the year ended June 30, 2025.

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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 26.1)	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 Mustahkam Fund
- NBP Government Securities Liquid Fund
- NBP Money Market Fund
- NBP Government Securities Savings Fund

- NBP Mahana Amdani Fund
- NBP Financial Sector Income Fund
- NBP Income Opportunity Fund
- NBP Savings Fund
- NBP Sarmaya Izafa Fund
- NBP Mustahkam Fund
- NBP Income Fund Of Fund
- NBP Government Securities Fund
- NBP Mustahkam Fund - II

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 the SECP on May 16, 2025.

28 GENERAL

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

29 DATE OF AUTHORISATION FOR ISSUE

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

**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 period from January 19, 2024 to June 30, 2024
Net assets (Rs. '000')	2,806,622	611,293
Net Income (Rs. '000')	773,588	48,510
Net Asset Value per units (Rs.)	10.0433	10.0271
Offer price per unit	10.3898	10.3670
Redemption price per unit	10.0433	10.0271
Ex - Highest offer price per unit (Rs.)	10.3898	10.3670
Ex - Lowest offer price per unit (Rs.)	9.0462	9.1725
Ex - Highest redemption price per unit (Rs.)	10.0433	10.0271
Ex - Lowest redemption price per unit (Rs.)	8.7445	9.1725
Fiscal Year Opening Ex Nav	8.7398	9.1725
Total return of the fund	14.91%	20.86%
Capital growth	0.19%	11.93%
Income distribution as a % of ex nav	14.73%	8.93%
Income distribution as a % of par value	14.77%	8.93%
Distribution dates		
24 Jun-2025	1.4769	
07 Feb-2024	-	0.1178
27 Jun-2024	-	0.7752
Average annual return (launch date 19-01-2024)		
(Since inception to June 30, 2025)	17.08%	
(Since inception to June 30, 2024)		20.86%
Portfolio Composition (Please see Fund Manager Report)		
Weighted average portfolio duration	113 Days	131 Days
"Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up."		

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