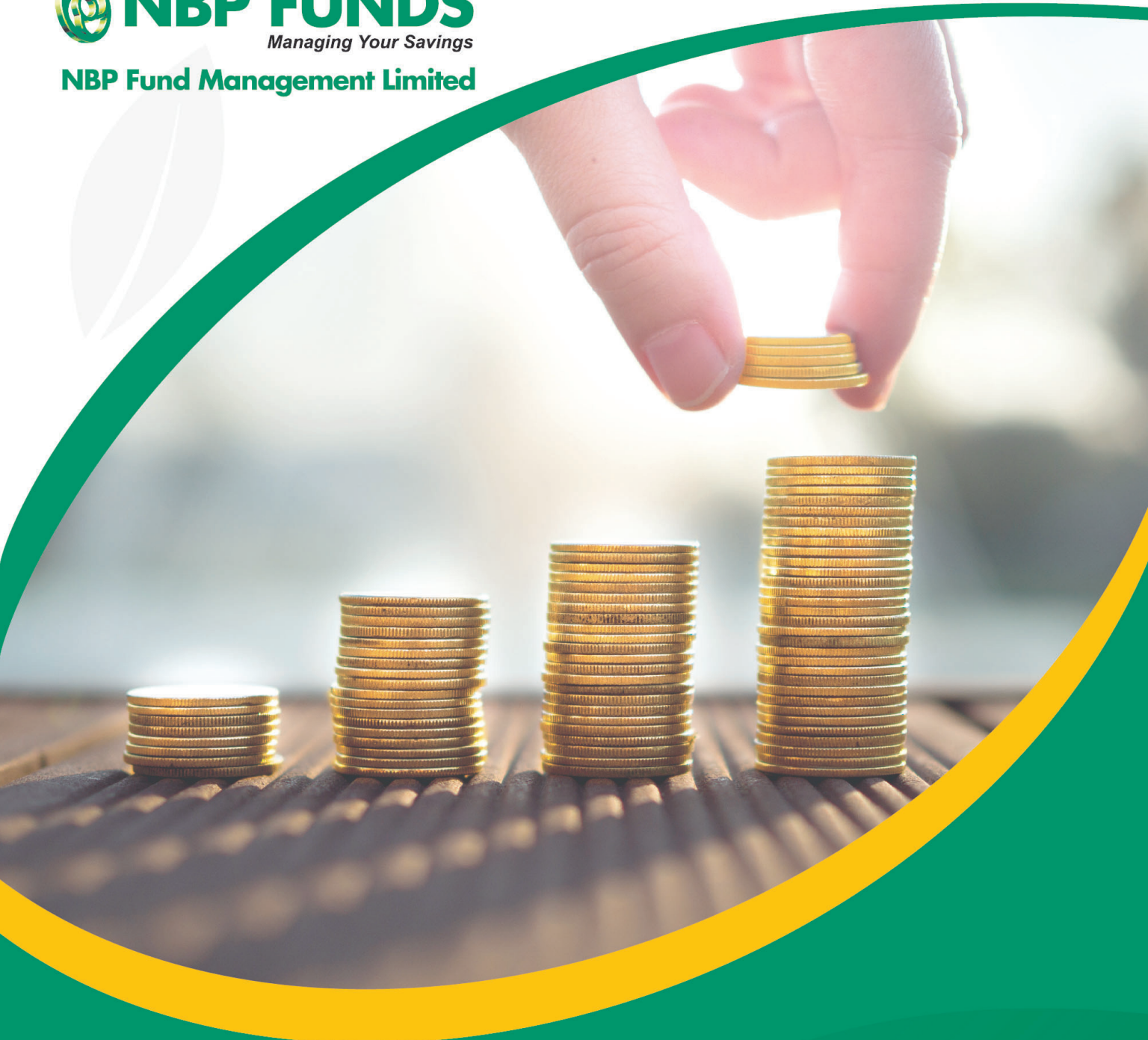




Managing Your Savings

NBP Fund Management Limited



NBP SAVINGS FUND

ANNUAL REPORT
JUNE 30, 2025

AM1
Rated by PACRA

MISSION STATEMENT

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

Contents

| | |
|--|-----------|
| FUND'S INFORMATION | 03 |
| DIRECTORS' REPORT | 07 |
| TRUSTEE REPORT TO THE UNIT HOLDERS | 13 |
| FUND MANAGER REPORT | 14 |
| INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS | 17 |
| STATEMENT OF ASSETS AND LIABILITIES | 20 |
| INCOME STATEMENT | 21 |
| STATEMENT OF COMPREHENSIVE INCOME | 22 |
| STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND | 23 |
| CASH FLOW STATEMENT | 24 |
| NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS | 25 |
| PERFORMANCE TABLE | 54 |

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Zaheer Iqbal

Audit & Risk Committee

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

Human Resource & Remuneration Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

| | |
|-------------------------------------|-------------------------------------|
| Allied Bank Limited | Soneri Bank Limited |
| Al Baraka Islamic Bank Limited | Telenor Microfinance Bank Limited |
| Bank Islami Pakistan Limited | The Bank of Khyber |
| Bank Alfalah Limited | United Bank Limited |
| Bank Al Habib Limited | U Microfinance Bank Limited |
| Dubai Islamic Bank Pakistan Limited | Khushhali Microfinance Bank Limited |
| Faysal Bank Limited | Habib Metropolitan Bank Limited |
| HBL Microfinance Bank Limited | Mobilink Microfinance Bank Limited |
| JS Bank Limited | |
| MCB Bank Limited | |
| National Bank of Pakistan | |
| Silk 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.nbpfunds.com

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Saad Amanullah Khan
Director



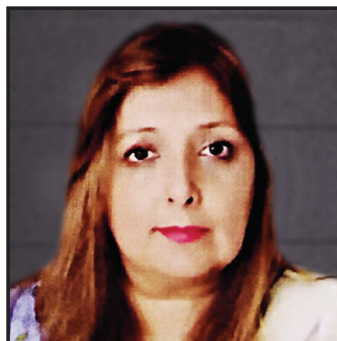
Mr. Faisal Ahmed
Director



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 18th Annual Report of **NBP Savings Fund (NBP-SF)** for the year ended June 30, 2025.

Fund's Performance

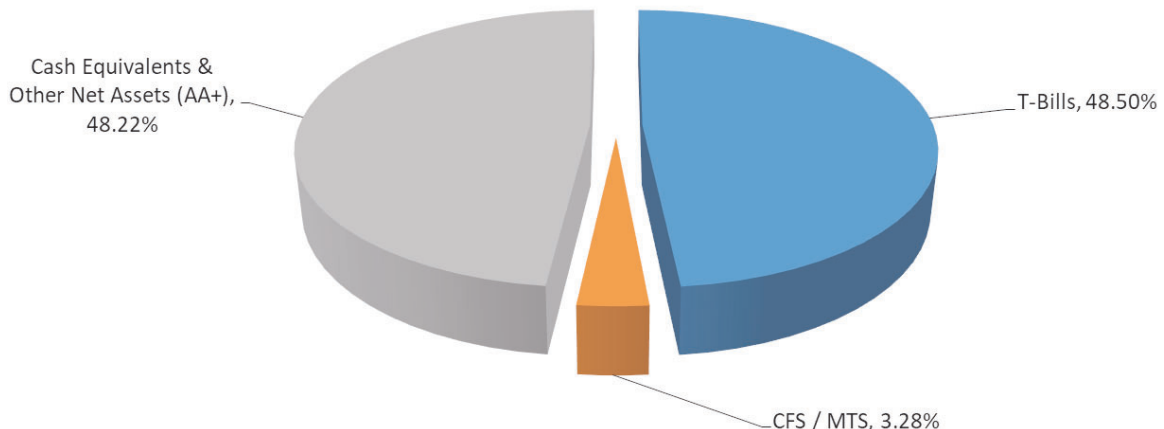
The size of NBP Savings Fund has decreased from Rs. 6,329 million to Rs. 6,065 million during the period (a decrease of 4%). During the period, the unit price of NBP Savings Fund increased from Rs. 8.6327 (Ex-Div) on June 30, 2024 to Rs. 9.9172 on June 30, 2025, thus showing a return of 14.9% as compared to the benchmark return of 13.8% for the same period. The performance of the Fund is net of management fee and all other expenses.

NBP-SF is categorized as an Income Scheme and has been awarded stability rating of 'A+ (f)' by PACRA. During FY25, Pakistan's Monetary Policy Committee (MPC) reduced the Policy Rate significantly from 20.5% to 11%, responding to a sustained decline in inflation, and considerable improvement on the external front. This easing cycle was underpinned by stable global commodity prices, moderation in food and energy inflation, softening market yields, and strong remittance inflows. The country's FX reserves increased from \$9.39 billion in July 2024 to \$14.31 billion by the end of FY25. This surge was driven by multilateral inflows and disciplined macroeconomic management particularly on the external front.

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

The State Bank of Pakistan (SBP) conducted twenty-seven (27) T-Bill auctions, targeting approximately Rs. 15,335 billion against maturities totaling around Rs. 18,636 billion. Accepted bids amounted to a cumulative realization of roughly Rs. 16,000 billion, across 1-month to 12-months tenures. The yield trend showed a steady decline throughout the fiscal year, with short-term T-Bill cut-off rates falling from over 20% early in the year to around 11% by the latest auctions. The liquidity management strategy reflected market demand, maturity pressures, and policy alignment - acceptance patterns favored shorter tenures.

The Fund has earned a total income of Rs. 1,224.65 million during the year. After deducting total expenses of Rs. 107.28 million, the net income is Rs. 1,117.37 million. The asset allocation of NBP SF as on June 30, 2025 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 14.62% of the opening ex-NAV (14.46% 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, retired and, being eligible, offer themselves for re-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 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 20 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2025, the Board included:

| Category | Names |
|--------------------------------|---|
| Independent Directors | 1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Umar Ahsan Khan |
| Executive Director | Dr. Amjad Waheed - Chief Executive Officer |
| Non-Executive Directors | 1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Faisal Ahmed 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar |

Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: August 21, 2025
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP سیونگ فنڈ (NBP-SF) کی اٹھارہویں سالانہ رپورٹ برائے سال اختتامہ 30 جون 2025ء پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

NBP سیونگ فنڈ کا ساٹھ ماہ کی مدت کے دوران 6,329 ملین روپے سے کم ہو کر 6,065 ملین روپے ہو گیا، یعنی 4% کی کمی ہوئی۔ مذکورہ مدت کے دوران NBP سیونگ فنڈ کے پونٹ کی قیمت 30 جون 2024 کو 8.6327 (Ex-Div) روپے سے بڑھ کر 9.9172 کو 2025 جون 30 کے دوران 13.8% نیچے مارک منافع کے مقابلے میں 14.9% منافع دیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP سیونگ فنڈ ایک اکٹم اسکیم ہے اور PACRA کی طرف سے اسے 'A+(f)' کی سٹیبلٹی ریٹنگ دی گئی ہے۔

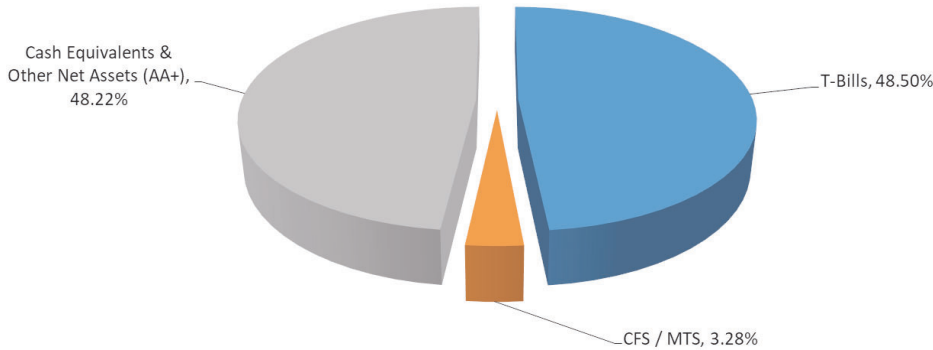
مالی سال 2025 کے دوران، پاکستان کی موٹیوریٹری پالیسی کمیٹی (MPC) نے پالیسی ریٹ میں نمایاں کمی کرتے ہوئے اسے 20.5% سے کم کر کے 11% کر دیا۔ یہ اقدام مہنگائی میں مسلسل کمی اور بیرونی شعبے میں خاطر خواہ بہتری کے ردعمل کے طور پر کیا گیا۔ اس نرمی کے سلسلے کو عالمی کموڈٹی قیمتوں میں استحکام، خوراک اور توانائی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

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

اسٹیٹ بینک آف پاکستان (SBP) نے مالی سال کے دوران 27 ٹی بلز کی نیلامیاں منعقد کیں، جن کا ہدف تقریباً 15,335 ارب روپے تھا، جبکہ اسی دوران تقریباً 18,636 ارب روپے کی میچورٹیز سامنے آئیں۔ منظور شدہ نیلامیوں کے ذریعے تقریباً 16,000 ارب روپے اکٹھے کیے گئے، جن کی مدت ایک ماہ سے بارہ ماہ تک رہی۔ سال بھر شرح منافع میں بتدریج کمی دیکھنے کو ملی، اور مختصر مدتی ٹی بلز کے کٹ آف ریٹس سال کے آغاز میں 20% سے زائد سے کم ہو کر آخری نیلامی تک تقریباً 11% تک آگئے۔ کیو ایڈیٹی مینجمنٹ کی اس حکمت عملی نے مارکیٹ کی طلب، میچورٹی پریشور اور پالیسی کے تقاضوں کو مدنظر رکھا۔ جس کے تحت زیادہ تر سرمایہ کاری مختصر مدت کے لیے قبول کی گئی۔

فنڈ کو اس مدت کے دوران 1,224.65 ملین روپے کی کل آمدنی ہوئی۔ 107.28 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1,117.37 ملین روپے ہے۔

NBP سیونگ فنڈ کی ایسٹ ویلوز برعکس 30 جون 2025 درج ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمیٹی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2025 کے اختتام کے بعد واپس پینگ ex-NAV کا 14.62% (بنیادی قدر کا 14.46%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

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

آڈیٹرز

موجودہ آڈیٹرز، میسرز ایف فرگون اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2026 کو ختم ہونے والے سال کے لئے اپنے آپ کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

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

- 1 مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلواور پوائنٹ 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۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
- 5 انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل گمرانی کی جاتی ہے۔
- 6 فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 7 کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- 8 پرفارمنس ٹیمپل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے آٹھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں ظاہر کی گئی ہے۔
- 11 پوائنٹ ہولڈنگ کا تفصیلی پیرین مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 20 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2025 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

| نام | کیٹگری |
|---|------------------------|
| •1 جناب خالد منصور •2 جناب سعدا مان اللہ خان •3 جناب عمر احسن خان | غیر جانبدار ڈائریکٹرز |
| ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر) | ایگزیکٹو ڈائریکٹر |
| •1 شیخ محمد عبدالواحد سیٹھی (چیئر مین) •2 جناب فیصل احمد •3 محترمہ مہناز سالار •4 جناب علی سیگل •5 جناب عمران ظفر | نان ایگزیکٹو ڈائریکٹرز |

اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 21 اگست 2025ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Savings Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

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

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 29, 2025

FUND MANAGER REPORT

NBP Savings Fund

NBP Savings Fund (NBP-SF) is an Open-End Income Scheme.

Investment Objective of the Fund

The objective of NBP-SF is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.

Benchmark

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

Fund Performance Review

This is the 18th Annual report since the launch of the Fund on March 28, 2008 and is rated "A+ (f)" by PACRA. The Fund size decreased by 4% and stands at Rs. 6.1 billion as of June 30, 2025. The Fund's return since its inception is 7.7% p.a. versus the benchmark return of 11.3% p.a. During FY25, the Fund posted an annualized return of 14.9% as compared to a benchmark return of 13.8%. The return of the Fund is net of management fee and all other expenses.

The weighted average Yield-to-Maturity of the Fund is 8% p.a. while the yield does not include potential recovery in fully provided TFCs/Sukuks (Face Value of around Rs. 301 million), which is a potential upside for the Fund. Weighted average time to maturity of the Fund is around 40 days.

During FY25, Pakistan's Monetary Policy Committee (MPC) reduced the Policy Rate significantly from 20.5% to 11%, responding to a sustained decline in inflation, and considerable improvement on the external front. This easing cycle was underpinned by stable global commodity prices, moderation in food and energy inflation, softening market yields, and strong remittance inflows. The country's FX reserves increased from \$9.39 billion in July 2024 to \$14.31 billion by the end of FY25. This surge was driven by multilateral inflows and disciplined macroeconomic management particularly on the external front.

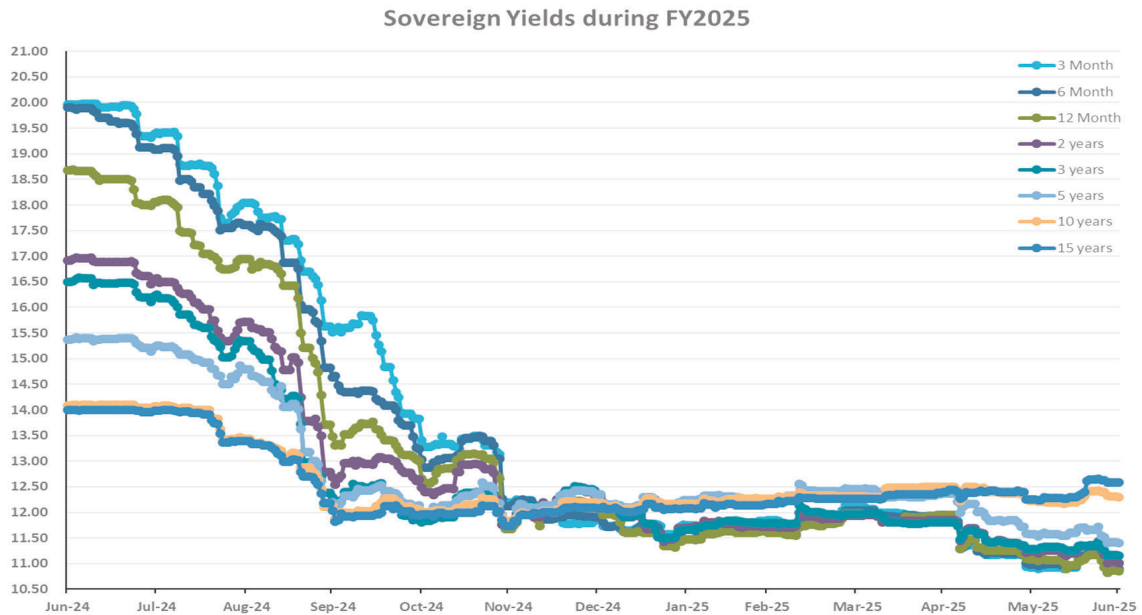
Real GDP grew by 2.7% in FY25, falling short of the government's target of 3.6%. Inflation averaged 4.5%, significantly below the budgeted target of 12%, driven by declining food and fuel prices, prudent monetary policy, and favorable base effect. Despite notable gains, the MPC maintained a cautious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

The State Bank of Pakistan (SBP) conducted twenty-seven (27) T-Bill auctions, targeting approximately Rs. 15,335 billion against maturities totaling around Rs. 18,636 billion. Accepted bids amounted to a cumulative realization of roughly Rs. 16,000 billion, across 1-month to 12-months tenures. The yield trend showed a steady decline throughout the fiscal year, with short-term T-Bill cut-off rates falling from over 20% early in the year to around 11% by the latest auctions. The liquidity management strategy reflected market demand, maturity pressures, and policy alignment - acceptance patterns favored shorter tenures.

Asset Allocation of Fund (% of NAV)

| Particulars | 30-Jun-25 | 30-Jun-24 |
|--------------------------------------|-----------|-----------|
| T-Bills | 48.50% | 1.96% |
| MTS | 3.28% | 9.76% |
| Cash, Bank Placements & Other Assets | 48.22 | 88.27% |
| Total | 100.00 | 100.00 |

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



Distribution for the Financial Year 2025

| Interim Period/Quarter | Dividend as % of Par Value (Rs.10) | Cumulative Div. Price/Unit | Ex- Div. Price |
|------------------------|------------------------------------|----------------------------|----------------|
| Interim | 14.46% | 11.3414 | 9.8950 |

Details of Non-Compliant Investments

| Particulars | Type of Investment | Value of Investment before Provision | Provision held | Value of Investment after Provision | % Net Assets | % Gross Assets |
|--|--------------------|--------------------------------------|--------------------|-------------------------------------|--------------|----------------|
| New Allied Electronics Limited II - | | | | | | |
| Sukuk 03-DEC-07 03-DEC-30 | Sukuk | 49,054,371 | 49,054,371 | - | 0.0% | 0.0% |
| Saudi Pak Leasing Company Limited - | | | | | | |
| Revised II 13-MAR-30 | TFC | 41,321,115 | 41,321,115 | - | 0.0% | 0.0% |
| Eden House Limited - Sukuk Revised | | | | | | |
| 29-MAR-08 29-SEP-25 | Sukuk | 19,687,500 | 19,687,500 | - | 0.0% | 0.0% |
| AgriTech Limited V 01-JUL-11 01-JAN-28 | TFC | 22,180,000 | 22,180,000 | - | 0.0% | 0.0% |
| AgriTech Limited II - Revised II | | | | | | |
| 14-JAN-08 14-JUL-25 | TFC | 147,491,841 | 147,491,841 | - | 0.0% | 0.0% |
| Worldcall RS - III 10-APR-18 20-SEP-26 | TFC | 21,515,581 | 21,515,581 | - | 0.0% | 0.0% |
| Total | | 301,250,408 | 301,250,408 | - | 0.0% | 0.0% |

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

| Size of Unit Holding (Units) | # of Unit Holders |
|------------------------------|-------------------|
| Less than 1 | 844 |
| 1-1000 | 1542 |
| 1001-5000 | 174 |
| 5001-10000 | 68 |
| 10001-50000 | 244 |
| 50001-100000 | 160 |
| 100001-500000 | 372 |
| 500001-1000000 | 69 |
| 1000001-50000000 | 60 |
| 50000001-100000000 | 4 |
| 10000001-1000000000 | 4 |
| 100000001-10000000000 | 2 |
| Total | 3543 |

During the period under question:

There has been no other significant change in the state of affairs of the Fund. NBP Savings Fund does not have any soft commission arrangement with any broker in the industry.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Savings Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP Savings Fund (the Fund / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|--|--|
| 1 | <p>Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)</p> <p>Bank balances and investments constitute the most significant component of the net asset value. The bank balances of the fund as at June 30, 2025 aggregated to Rs. 3,905.375 million and investments amounted to Rs. 2,941.085 million.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2025 was considered a high risk area and therefore we considered this as a key audit matter.</p> | <p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2025 and traced them to the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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

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

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

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

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

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

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 04, 2025

UDIN: AR202510061hLSrPtx2X

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2025

| Assets | Note | 2025 ----- Rupees in '000 ----- | 2024 ----- |
|---|-------------|---|----------------------|
| Bank balances | 4 | 3,905,375 | 5,557,517 |
| Investments | 5 | 2,941,085 | 124,299 |
| Receivable against margin trading system | | 198,864 | 617,925 |
| Profit receivable | 6 | 4,857 | 89,190 |
| Receivable against conversion of units | | 619,312 | - |
| Deposits, prepayments and other receivables | 7 | 1,442 | 1,433 |
| Total assets | | 7,670,935 | 6,390,364 |
| | | | |
| Liabilities | | | |
| Payable to NBP Fund Management Limited - the Management Company | 8 | 49,696 | 20,863 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | 9 | 625 | 413 |
| Payable to the Securities and Exchange Commission of Pakistan | 10 | 543 | 356 |
| Payable against redemption of units | | 1,378,064 | - |
| Accrued expenses and other liabilities | 11 | 177,425 | 39,928 |
| Total liabilities | | 1,606,353 | 61,560 |
| Net assets | | 6,064,582 | 6,328,804 |
| Unit holders' fund (as per statement attached) | | 6,064,582 | 6,328,804 |
| Contingencies and commitments | 12 | | |
| | | ----- (Number of units) ----- | |
| Number of units in issue | 13 | 611,524,638 | 639,595,958 |
| | | ----- (Rupees) ----- | |
| Net asset value per unit | | 9.9172 | 9.8950 |

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

| Income | Note | 2025 ----- (Rupees in 000) ----- | 2024 |
|--|-------|-------------------------------------|-----------------|
| Income on government securities | | 568,880 | 46,337 |
| Income on corporate sukuks | | 33,364 | - |
| Income on term deposit receipts | | - | 2,866 |
| Income on letters of placement | | 122,732 | 54,723 |
| Profit on bank balances | | 342,460 | 748,922 |
| Income from margin trading system | | 154,552 | 68,386 |
| Net realised gain on sale of investments | | 1,260 | 672 |
| Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' | 5.7 | 1,404 | (51) |
| Other income | 5.2.1 | - | 1,149 |
| Total income | | <u>1,224,652</u> | <u>923,004</u> |
| Expenses | | | |
| Remuneration of NBP Fund Management Limited - the Management Company | 8.1 | 71,878 | 51,024 |
| Sindh sales tax on remuneration of the Management Company | 8.2 | 10,782 | 6,633 |
| Reimbursement of allocated expenses | 8.3 | - | 4,017 |
| Reimbursement of selling and marketing expenses | 8.4 | 943 | 16,429 |
| Sindh sales tax on reimbursement of selling and marketing expenses | 8.2 | 142 | - |
| Remuneration of Central Depository Company of Pakistan Limited - the Trustee | 9.1 | 6,412 | 3,107 |
| Sindh sales tax on remuneration of the Trustee | 9.2 | 962 | 404 |
| Fee to the Securities and Exchange Commission of Pakistan | 10.1 | 6,412 | 3,108 |
| Settlement and bank charges | | 7,725 | 3,413 |
| Annual listing fee | | 31 | 31 |
| Auditors' remuneration | 14 | 963 | 962 |
| Legal and professional charges | | 337 | 184 |
| Annual rating fee | | 499 | 450 |
| Securities transaction cost | | 101 | 52 |
| Printing and other charges | | 99 | 49 |
| Total expenses | | <u>107,286</u> | <u>89,863</u> |
| Net income for the year before taxation | | <u>1,117,366</u> | <u>833,141</u> |
| Taxation | 16 | - | - |
| Net income for the year after taxation | | <u>1,117,366</u> | <u>833,141</u> |
| Allocation of net income for the year: | | | |
| Net income for the year after taxation | | 1,117,366 | 833,141 |
| Income already paid on units redeemed | | <u>(655,454)</u> | <u>(86,462)</u> |
| | | <u>461,912</u> | <u>746,679</u> |
| Accounting income available for distribution: | | | |
| - Relating to capital gains | | 2,664 | 621 |
| - Excluding capital gains | | 459,248 | 746,058 |
| | | <u>461,912</u> | <u>746,679</u> |

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

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

Chief Financial Officer

Chief Executive Officer

Director

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

| | 2025 | 2024 |
|--|-----------------------------|----------------|
| | ----- (Rupees in 000) ----- | |
| Net income for the year after taxation | 1,117,366 | 833,141 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u>1,117,366</u> | <u>833,141</u> |

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

| | 2025 | | | 2024 | | |
|---|-----------------------------|----------------------|------------------|------------------|----------------------|------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | ----- (Rupees in 000) ----- | | | | | |
| Net assets at the beginning of the year | 6,300,366 | 28,438 | 6,328,804 | 3,291,941 | 28,639 | 3,320,580 |
| Issuance of 2,586,749,511 units (2024: 733,140,941 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 25,595,886 | - | 25,595,886 | 7,254,430 | - | 7,254,430 |
| - Element of income | 1,950,452 | - | 1,950,452 | 241,838 | - | 241,838 |
| Total proceeds on issuance of units | 27,546,338 | - | 27,546,338 | 7,496,268 | - | 7,496,268 |
| Redemption of 2,614,820,831 units (2024: 429,127,303 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | (25,873,652) | - | (25,873,652) | (4,246,215) | - | (4,246,215) |
| - Element of loss | (1,749,334) | (655,454) | (2,404,788) | (127,207) | (86,462) | (213,669) |
| Total payments on redemption of units | (27,622,986) | (655,454) | (28,278,440) | (4,373,422) | (86,462) | (4,459,884) |
| Total comprehensive income for the year | - | 1,117,366 | 1,117,366 | - | 833,141 | 833,141 |
| Distributions during the year ended June 30, 2024: | | | | | | |
| For the year ended June 30, 2024: Rs. 1.739 per unit declared on April 26, 2024 | - | - | - | (109,364) | (547,324) | (656,688) |
| For the year ended June 30, 2024: Re. 0.1087 per unit declared on May 15, 2024 | - | - | - | (5,057) | (50,266) | (55,323) |
| For the period starting from May 18, 2024 till June 30, 2024 | - | - | - | - | (149,290) | (149,290) |
| Total distribution during the year during the year ended June 30, 2024 | - | - | - | (114,421) | (746,880) | (861,301) |
| Distributions during the year ended June 30, 2025: | | | | | | |
| At the rate of Re. 0.0001 per unit per day declared on July 02, 2024 July 03, 2024, July 04, 2024 and July 05, 2024 | - | (250) | (250) | - | - | - |
| For the year ended June 30, 2025: Rs. 1.4464 per unit declared on June 24, 2025 | (199,808) | (449,428) | (649,236) | - | - | - |
| Total distribution during the year during the year ended June 30, 2025 | (199,808) | (449,678) | (649,486) | - | - | - |
| Net assets at the end of the year | 6,023,910 | 40,672 | 6,064,582 | 6,300,366 | 28,438 | 6,328,804 |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 28,489 | | | 28,639 | |
| - Unrealised loss | | (51) | | | - | |
| | | 28,438 | | | 28,639 | |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | 2,664 | | | 621 | | |
| - Excluding capital gains | 459,248 | | | 746,058 | | |
| | 461,912 | | | 746,679 | | |
| Distributions during the year | | (449,678) | | | (746,880) | |
| Undistributed income carried forward | | 40,672 | | | 28,438 | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 39,268 | | | 28,489 | |
| - Unrealised income / (loss) | | 1,404 | | | (51) | |
| | | 40,672 | | | 28,438 | |
| | | | (Rupees) | | | (Rupees) |
| Net asset value per unit at the beginning of the year | | | <u>9,8950</u> | | | <u>9,8950</u> |
| Net asset value per unit at the end of the year | | | <u>9,9172</u> | | | <u>9,8950</u> |

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

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 ----- Rupees in '000 ----- | 2024 |
|---|------|------------------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income for the year before taxation | | 1,117,366 | 833,141 |
| Adjustments: | | | |
| Income on government securities | | (568,880) | (46,337) |
| Income on corporate sukus | | (33,364) | - |
| Income on term deposit receipts | | - | (2,866) |
| Income on letters of placement | | (122,732) | (54,723) |
| Profit on bank balances | | (342,460) | (748,922) |
| Income from margin trading system | | (154,552) | (68,386) |
| Net unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' | 5.7 | (1,404) | 51 |
| Net realised gain on sale of investments | | (1,260) | (672) |
| | | <u>(107,286)</u> | <u>(88,714)</u> |
| (Increase) in assets | | | |
| Investments - net | | <u>(2,076,589)</u> | <u>(123,678)</u> |
| Deposits and prepayments | | <u>(9)</u> | <u>(289)</u> |
| | | <u>(2,076,598)</u> | <u>(123,967)</u> |
| Increase / (decrease) in liabilities | | | |
| Payable to NBP Fund Management Limited - the Management Company | | <u>28,833</u> | <u>2,011</u> |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | | <u>212</u> | <u>189</u> |
| Payable to the Securities and Exchange Commission of Pakistan | | <u>187</u> | <u>(173)</u> |
| Accrued expenses and other liabilities | | <u>137,497</u> | <u>13,985</u> |
| | | <u>166,729</u> | <u>16,012</u> |
| Income received on bank balances, sukuk certificates letters of placement, government securities term deposit receipts and margin trading system | | 1,725,382 | 269,438 |
| Net cash (used in) / generated from operating activities | | <u>(291,773)</u> | <u>72,769</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipt against issuance of units - net of refund of element | | <u>26,727,218</u> | <u>7,381,847</u> |
| Payments against redemption of units - net | | <u>(26,900,376)</u> | <u>(4,471,899)</u> |
| Dividend paid | | <u>(449,678)</u> | <u>(746,880)</u> |
| Net cash (used in) / generated from financing activities | | <u>(622,836)</u> | <u>2,163,068</u> |
| Net (decrease) / increase in cash and cash equivalents during the year | | <u>(914,609)</u> | <u>2,235,837</u> |
| Cash and cash equivalents at the beginning of the year | | 5,557,517 | 3,321,680 |
| Cash and cash equivalents at the end of the year | 15 | <u><u>4,642,908</u></u> | <u><u>5,557,517</u></u> |

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Savings Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. Trust Deed was approved by the Securities and Exchange Commission of Pakistan (the SECP) on December 14, 2007 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund was registered under the Sindh Trusts Act, 2020 on October 18, 2021.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (the SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund has been categorised as an open ended 'Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The investment objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on May 05, 2025 (2024: AM1 on June 21, 2024). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at "A+(f)" dated April 17, 2025 (2024: "A+(f)" dated April 09, 2024).
- 1.6 The title of the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 The Fund also provides accidental death (free), life insurance / life takaful and health coverage to unit holders of the Fund as stated in the Offering Document.
- 1.8 The cost of premium is borne by the investor (where applicable). Such premium cost is deducted from the unit holder's investment on a monthly basis in case of life insurance and on an annual basis in case of health insurance and deposited with the Insurance Company / Takaful Operator by the Management Company as per the terms and conditions of the Insurance / Takaful coverage defined in the Insurance / Takaful policy document signed between the Insurance Company / Takaful Operator and Management Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

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

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

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

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

2.4 Critical accounting estimates and judgments

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

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

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 23.

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Financial assets

3.1.1 Initial recognition and measurement

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

3.1.2 Classification and subsequent measurement

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

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

- at 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.

Cash and cash equivalents

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

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

3.1.3 Impairment (other than debt securities)

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance 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 forecast 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 they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.1.4 Impairment loss on debt securities

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

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

3.1.5 Regular way contracts

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

3.1.6 Derecognition

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

3.2 Financial liabilities

3.2.1 Classification and subsequent measurement

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

3.2.2 Derecognition

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

3.3 Offsetting of financial assets and financial liabilities

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

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

3.4 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.

3.5 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.

3.6 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 at 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 represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction cost, if applicable.

3.7 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 Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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

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

3.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in income statement and are recognised when the transaction takes place;
- Unrealised appreciation / (diminution) arising on re-measurement of securities classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise;

- Income on margin trading system, term deposit receipts and letters of placement is recognised using effective yield method;
- Income on sukuk certificates, term finance certificates and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Profit on bank balances is recognised on time proportion basis using the effective yield method.

3.10 Expenses

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

3.11 Taxation

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

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

| 4 | BANK BALANCES | Note | 2025 ------(Rupees in '000)----- | 2024 |
|---|----------------------|-------------|--|------------------|
| | Savings accounts | 4.1 | <u>3,905,375</u> | <u>5,557,517</u> |

- 4.1 These include balances amounting to Rs. 0.007 million and Rs. 8.921 million (2024: Rs. 0.007 million and Rs. 2.439 million) maintained with Telenor Microfinance Bank Limited (a related party) and National Bank of Pakistan (a related party) respectively, that carry profit at the rate of 5.50% (2024: 19.00%) and 6.00% (2024: 20.50%) per annum respectively. Other savings accounts of the Fund carry profits at the rates ranging from 0.10% to 11.50% (2024: 18.50% to 21.25%) per annum.

| 5 | INVESTMENTS | Note | 2025 ------(Rupees in '000)----- | 2024 |
|---|--|-------------|--|----------------|
| | At fair value through profit or loss | | | |
| | Government securities - Market Treasury Bills | 5.1 | 2,941,085 | 124,299 |
| | Term finance certificates - non-performing securities | 5.2 | - | - |
| | Redeemable preference shares - debt security | 5.3 | - | - |
| | Corporate sukuk certificates - non-performing securities | 5.4 | - | - |
| | Letters of placement | 5.5 | - | - |
| | Corporate sukuk certificates | 5.6 | - | - |
| | | | <u>2,941,085</u> | <u>124,299</u> |

5.1 Government securities - Market Treasury Bills

| Issue date | Maturity date | Tenor in months | Yield | Face value | | | | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealised diminution as at June 30, 2025 | Percentage in relation to | |
|------------------------------|-------------------|-----------------|--------|--------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|---|---------------------------|------------------------------|
| | | | | As at July 1, 2024 | Purchased during the year | Sold / matured during the year | As at June 30, 2025 | | | | net assets of the Fund | total investment of the Fund |
| ----- (Rupees in '000) ----- | | | | | | | | | | ----- (%) ----- | | |
| January 11, 2024 | July 11, 2024 | 6 | 18.71% | 125,000 | - | 125,000 | - | - | - | - | - | - |
| October 19, 2023 | October 17, 2024 | 12 | 17.50% | - | 1,500,000 | 1,500,000 | - | - | - | - | - | - |
| November 2, 2023 | October 31, 2024 | 12 | 17.60% | - | 1,300,000 | 1,300,000 | - | - | - | - | - | - |
| December 14, 2023 | December 12, 2024 | 12 | 15.00% | - | 1,000,000 | 1,000,000 | - | - | - | - | - | - |
| December 28, 2023 | December 26, 2024 | 12 | 13.95% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| April 4, 2024 | April 3, 2025 | 12 | 12.10% | - | 2,600 | 2,600 | - | - | - | - | - | - |
| May 2, 2024 | May 2, 2025 | 12 | 12.10% | - | 700,000 | 700,000 | - | - | - | - | - | - |
| May 16, 2024 | May 15, 2025 | 12 | 11.20% | - | 1,740,000 | 1,740,000 | - | - | - | - | - | - |
| May 30, 2024 | May 29, 2025 | 12 | 11.85% | - | 264,400 | 264,400 | - | - | - | - | - | - |
| June 13, 2024 | June 12, 2025 | 12 | 12.01% | - | 1,000,000 | 1,000,000 | - | - | - | - | - | - |
| July 11, 2024 | October 3, 2024 | 3 | 19.84% | - | 250,000 | 250,000 | - | - | - | - | - | - |
| July 25, 2024 | October 17, 2024 | 3 | 19.49% | - | 250,000 | 250,000 | - | - | - | - | - | - |
| August 22, 2024 | February 20, 2025 | 6 | 17.70% | - | 250,000 | 250,000 | - | - | - | - | - | - |
| August 22, 2024 | November 14, 2024 | 3 | 17.47% | - | 250,000 | 250,000 | - | - | - | - | - | - |
| September 5, 2024 | November 28, 2024 | 3 | 17.41% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| September 5, 2024 | March 6, 2025 | 6 | 17.62% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| October 3, 2024 | April 3, 2025 | 6 | 14.23% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| October 17, 2024 | April 17, 2025 | 6 | 12.20% | - | 6,500,000 | 6,500,000 | - | - | - | - | - | - |
| October 17, 2024 | January 9, 2025 | 3 | 15.06% | - | 250,000 | 250,000 | - | - | - | - | - | - |
| October 31, 2024 | May 2, 2025 | 6 | 12.16% | - | 2,679,770 | 2,679,770 | - | - | - | - | - | - |
| October 31, 2024 | January 23, 2025 | 3 | 13.87% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| November 14, 2024 | May 15, 2025 | 6 | 11.15% | - | 850,000 | 850,000 | - | - | - | - | - | - |
| November 14, 2024 | February 6, 2025 | 3 | 13.46% | - | 250,000 | 250,000 | - | - | - | - | - | - |
| November 28, 2024 | February 20, 2025 | 3 | 12.94% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| November 28, 2024 | May 29, 2025 | 6 | 12.82% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| December 12, 2024 | March 6, 2025 | 3 | 12.04% | - | 1,200,000 | 1,200,000 | - | - | - | - | - | - |
| December 12, 2024 | June 12, 2025 | 6 | 11.93% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| December 26, 2024 | March 20, 2025 | 3 | 11.85% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| January 23, 2025 | July 24, 2025 | 6 | 11.40% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| February 6, 2025 | May 2, 2025 | 3 | 11.49% | - | 1,289,850 | 1,289,850 | - | - | - | - | - | - |
| March 6, 2025 | May 29, 2025 | 3 | 11.95% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| April 17, 2025 | July 10, 2025 | 3 | 11.96% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| April 17, 2025 | May 15, 2025 | 1 | 12.08% | - | 700,000 | 700,000 | - | - | - | - | - | - |
| May 2, 2025 | July 24, 2025 | 3 | 11.98% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| May 2, 2025 | May 29, 2025 | 1 | 12.14% | - | 250,000 | 250,000 | - | - | - | - | - | - |
| May 15, 2025 | June 12, 2025 | 1 | 11.18% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| September 5, 2024 | September 4, 2025 | 12 | 12.00% | - | 260,400 | - | 260,400 | 255,055 | 255,366 | 311 | 4.21% | 8.68% |
| January 9, 2025* | July 10, 2025* | 6* | 11.73% | - | 500,000 | - | 500,000 | 498,634 | 498,628 | (6) | 8.22% | 16.95% |

| Issue date | Maturity date | Tenor in months | Yield | Face value | | | | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealised diminution as at June 30, 2025 | Percentage in relation to | |
|----------------------------------|-------------------|-----------------|--------|--------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|---|---------------------------|------------------------------|
| | | | | As at July 1, 2024 | Purchased during the year | Sold / matured during the year | As at June 30, 2025 | | | | net assets of the Fund | total investment of the Fund |
| (Rupees in '000) | | | | | | | | | | (%) | | |
| March 6, 2025 | September 4, 2025 | 6 | 11.66% | - | 500,000 | - | 500,000 | 490,186 | 490,334 | 148 | 8.09% | 16.67% |
| May 2, 2025* | October 30, 2025* | 6* | 11.97% | - | 500,000 | - | 500,000 | 481,273 | 482,455 | 1,182 | 7.96% | 16.40% |
| May 15, 2025 | August 7, 2025 | 3 | 11.21% | - | 500,000 | 250,000 | 250,000 | 247,231 | 247,199 | (32) | 4.08% | 8.41% |
| June 12, 2025 | September 4, 2025 | 3 | 10.95% | - | 500,000 | - | 500,000 | 490,491 | 490,334 | (157) | 8.09% | 16.67% |
| June 12, 2025 | December 11, 2025 | 6 | 10.95% | - | 500,000 | - | 500,000 | 476,811 | 476,769 | (42) | 7.86% | 16.22% |
| Total as at June 30, 2025 | | | | | | | | 2,939,681 | 2,941,085 | 1,404 | 48.51% | 100.00% |
| Total as at June 30, 2024 | | | | | | | | 124,350 | 124,299 | (51) | 1.96% | 100.00% |

* This represents market treasury bills pledged as collateral in favour of National Clearing Company of Pakistan Limited (NCCPL) against exposure margin and mark to market losses on the Fund's trading on the Margin Trading System (MTS).

5.2 Term finance certificates - non-performing securities

| Name of the security | Security rating | Profit payments / principal redemptions | Maturity date | Profit rate | As at July 1, 2024 | Purchased during the year | Redeemed during the year | As at June 30, 2025 | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealised appreciation / (diminution) as at June 30, 2025 | Percentage in relation to | | |
|--|-------------------|---|--------------------|--|------------------------|---------------------------|--------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------|------------------------------|---|
| | | | | | Number of certificates | | | | (Rupees in '000) | | | net assets of the Fund | total investment of the Fund | |
| Leasing companies | | | | | | | | | | | | | | |
| Saudi Pak Leasing Company Limited - TFC II | Unrated | - | March 13, 2035 | Fixed rate of 6.87% | 15,000 | - | - | 15,000 | - | - | - | - | - | - |
| (Face value of Rs. 2,755 per certificate) | | | | | | | | | | | | | | |
| Technology & communication | | | | | | | | | | | | | | |
| Worldical Telecom Limited - TFC III | Unrated Quarterly | - | September 20, 2026 | 6 months KIBOR plus base rate of 1.60% | 14,000 | - | - | 14,000 | - | - | - | - | - | - |
| (Face value of Rs. 1,537 per certificate) | | | | | | | | | | | | | | |
| Chemical | | | | | | | | | | | | | | |
| Agritech Limited TFC II (note 5.3.1) | Unrated | - | July 14, 2030 | 6 months KIBOR plus base rate of 1.75% | 30,000 | - | 30,000 | - | - | - | - | - | - | - |
| (Face value of Rs. 4,916 per certificate)* | | | | | | | | | | | | | | |
| Agritech Limited TFC V (note 5.3.1) | Unrated | - | January 1, 2028 | 11.00% fixed rate | 4,436 | - | 4,436 | - | - | - | - | - | - | - |
| (Face value of Rs. 5,000 per certificate)* | | | | | | | | | | | | | | |
| Total as at June 30, 2025 | | | | | | | | - | - | - | - | - | - | |
| Total as at June 30, 2024 | | | | | | | | - | - | - | - | - | - | |

5.2.1 The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly had been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 62.837 million (2024: Rs. 232.509 million) against investee companies as reduced by Rs. 169.672 million against which preference shares has been received in settlement of the principal and profit on the TFCs of Agritech Limited, as explained in note 5.3 of these financial statements, have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

During the year, the Fund has received Rs. Nil (2024: Rs. 1.149 million) against recovery of provided term finance certificates of Agritech Limited.

5.3 Redeemable preference shares - debt security

| Name of the Investee Company | Note | As at July 1, 2024 | Shares issued during the period | As at June 30, 2025 | As at June 30, 2025 | | | Market value as a percentage of | |
|--------------------------------|------|--------------------|---------------------------------|---------------------|----------------------|--------------|--|---------------------------------|-------------------|
| | | | | | Carrying value | Market value | Unrealised appreciation / (diminution) | Net assets of the Fund | Total investments |
| ----- (Number of shares) ----- | | | | | ----- (Rupees) ----- | | | ----- % ----- | |

CHEMICAL

| | | | | | | | | | |
|----------------------------------|-------|---|------------|------------|---|---|---|---|---|
| Agritech Limited - Class A | 5.3.1 | - | 22,396,633 | 22,396,633 | - | - | - | - | - |
| Total as at June 30, 2025 | | | | | - | - | - | - | - |
| Total as at June 30, 2024 | | | | | - | - | - | - | - |

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

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

In compliance with the SoA, AGL disbursed tranches of Cash Flow Available for Debt Service (CFADS) payments, starting from September 27, 2022 to December 28, 2023 totalling Rs. 2,383,957 with the remaining liabilities being settled through preference shares.

As a result of the above arrangement, on December 23, 2024 AGL issued 22,396,633 cumulative redeemable Class A Preference Shares with limited voting rights having face value amounting to Rs. 223,966,330 and remaining fractional amount of Rs. 7 to be paid in cash to the Fund in compliance with the SoA in settlement of the Principal and mark-up portion outstanding in relation to the term finance certificates of AGL as disclosed in note 5.2. Accordingly, the Fund has derecognized its original investments in the aforesaid term finance certificates of AGL against a consideration of Rs. Nil and recognised these preference shares as unlisted debt security in the financial statements for the year ended June 30, 2025.

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

As of June 30, 2025, the MUFAP has continued to classify the sukuks and privately placed term financing certificates of Agritech Limited as non-performing asset based on the criteria envisaged in SECP's Master Circular No. 1 of 2023. Accordingly, the preference shares of Agritech Limited received in exchange of the above instruments are also classified as a non-performing asset. Moreover, as per the Master Circular No. 1 of 2023, the valuation of debt securities held by collective investment schemes shall be determined by MUFAP based on the methodology provided in the aforesaid circular. As of June 30, 2025, the MUFAP has not assigned any value to these preference shares of Agritech Limited under the aforesaid notification. Accordingly, these preference shares are carried at Nil value in the financial statements of the Fund.

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

5.4 Corporate sukuk certificates - non-performing securities

| Name of the security | Security rating | Profit payments / principal redemptions | Maturity date | Profit rate | As at July 1, 2024 | Purchased during the year | Sold / redeemed during the year | As at June 30, 2025 | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealised appreciation / (diminution) as at June 30, 2025 | Percentage in relation to | | |
|---|-----------------|---|--------------------|--|------------------------|---------------------------|---------------------------------|------------------------|------------------------------------|----------------------------------|--|---------------------------|---|--|
| | | | | | Number of certificates | Rupees in '000 | | net assets of the Fund | total investment of the Fund | | | | | |
| Miscellaneous | | | | | | | | | | | | | | |
| New Allied Electronic Industries (Private) Limited - Sukuk II (Face value of Rs. 4,905 per certificate) | Unrated | - | December 3, 2025 | 6 months KIBOR plus base rate of 2.20% | 10,000 | - | - | 10,000 | - | - | - | - | - | |
| Eden Housing Limited Sukuk - 2nd Issue (Face value of Rs. 984 per certificate) | Unrated | - | September 29, 2025 | 6 months KIBOR plus base rate of 2.50% | 20,000 | - | - | 20,000 | - | - | - | - | - | |
| Total as at June 30, 2025 | | | | | | | | | | | | | | |
| Total as at June 30, 2024 | | | | | | | | | | | | | | |

5.4.1 The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly had been classified as a non performing asset by the Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 68.742 million (2024: Rs. 68.742 million) against investee companies has been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.5 Letters of placement

| Name of the investee company | Rating | Maturity date | Profit rate | As at July 1, 2024 | Purchased during the year | 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) as at June 30, 2025 | Market value as a percentage of | |
|---------------------------------|-----------|--------------------|-------------|--------------------|---------------------------|-------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------------|------------------------------|
| | | | | (Rupees in '000) | | | | | | | net assets of the Fund | total investment of the Fund |
| Commercial Banks | | | | | | | | | | | | |
| JS Bank Limited | AA, PACRA | August 9, 2024 | 19.40% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | August 16, 2024 | 19.35% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | August 23, 2024 | 19.35% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | August 30, 2024 | 19.35% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | September 6, 2024 | 19.45% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | January 30, 2025 | 12.75% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | April 21, 2025 | 12.20% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | April 23, 2025 | 12.20% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | April 24, 2025 | 12.15% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | April 28, 2025 | 12.00% | - | 1,550,000 | 1,550,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | May 5, 2025 | 12.10% | - | 1,000,000 | 1,000,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | May 5, 2025 | 12.10% | - | 400,000 | 400,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | May 12, 2025 | 11.10% | - | 1,500,000 | 1,500,000 | - | - | - | - | - | - |
| JS Bank Limited | AA, PACRA | June 23, 2025 | 11.10% | - | 900,000 | 900,000 | - | - | - | - | - | - |
| United Bank Limited | AAA, VIS | April 21, 2025 | 12.05% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| United Bank Limited | AAA, VIS | May 6, 2025 | 12.00% | - | 1,400,000 | 1,400,000 | - | - | - | - | - | - |
| United Bank Limited | AAA, VIS | May 8, 2025 | 11.10% | - | 1,200,000 | 1,200,000 | - | - | - | - | - | - |
| United Bank Limited | AAA, VIS | May 9, 2025 | 11.10% | - | 1,200,000 | 1,200,000 | - | - | - | - | - | - |
| United Bank Limited | AAA, VIS | May 15, 2025 | 11.10% | - | 700,000 | 700,000 | - | - | - | - | - | - |
| Investment Banks | | | | | | | | | | | | |
| PAIR Investment Company Limited | AA, PACRA | August 21, 2024 | 19.50% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| PAIR Investment Company Limited | AA, PACRA | September 6, 2024 | 19.50% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| PAIR Investment Company Limited | AA, PACRA | September 16, 2024 | 19.30% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| PAIR Investment Company Limited | AA, PACRA | May 9, 2025 | 12.10% | - | 350,000 | 350,000 | - | - | - | - | - | - |
| PAIR Investment Company Limited | AA, PACRA | May 13, 2025 | 11.10% | - | 350,000 | 350,000 | - | - | - | - | - | - |
| PAIR Investment Company Limited | AA, PACRA | May 16, 2025 | 11.10% | - | 350,000 | 350,000 | - | - | - | - | - | - |

| Name of the investee company | Rating | Maturity date | Profit rate | As at July 1, 2024 | Purchased during the year | 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) as at June 30, 2025 | Market value as a percentage of | |
|------------------------------|--------|---------------|-------------|--------------------|---------------------------|-------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------------|--|
| | | | | (Rupees in '000) | | | | | | | ----- (%) ----- | |

Development Finance Institution

| | | | | | | | | | | | | |
|--|------------|--------------------|--------|---|-----------|-----------|---|---|---|---|---|---|
| Pak Brunei Investment Company Limited | AA+, VIS | August 2, 2024 | 20.30% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| Pak Brunei Investment Company Limited | AA+, VIS | September 6, 2024 | 19.50% | - | 400,000 | 400,000 | - | - | - | - | - | - |
| Pak Libya Holding Company (Pvt.) Limited | AA, PACRA | August 12, 2024 | 20.95% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| Pak Libya Holding Company (Pvt.) Limited | AA, PACRA | September 13, 2024 | 19.95% | - | 508,897 | 508,897 | - | - | - | - | - | - |
| Pak Libya Holding Company (Pvt.) Limited | AA, PACRA | November 8, 2024 | 17.85% | - | 508,897 | 508,897 | - | - | - | - | - | - |
| Pak Libya Holding Company (Pvt.) Limited | AA, PACRA | May 14, 2025 | 12.50% | - | 1,000,000 | 1,000,000 | - | - | - | - | - | - |
| Pak Oman Investment Company Limited | AA+, VIS | August 2, 2024 | 20.40% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| Pak Oman Investment Company Limited | AA+, VIS | March 12, 2025 | 12.25% | - | 990,000 | 990,000 | - | - | - | - | - | - |
| Pak Oman Investment Company Limited | AA+, VIS | April 22, 2025 | 12.30% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| Pak Oman Investment Company Limited | AA+, VIS | May 6, 2025 | 12.05% | - | 1,400,000 | 1,400,000 | - | - | - | - | - | - |
| Pakistan Kuwait Investment Company (Private) Limited | AAA, PACRA | March 17, 2025 | 12.00% | - | 950,000 | 950,000 | - | - | - | - | - | - |
| Pakistan Kuwait Investment Company (Private) Limited | AAA, PACRA | April 18, 2025 | 12.35% | - | 1,400,000 | 1,400,000 | - | - | - | - | - | - |
| Pakistan Kuwait Investment Company (Private) Limited | AAA, PACRA | April 24, 2025 | 12.25% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| Pakistan Kuwait Investment Company (Private) Limited | AAA, PACRA | April 25, 2025 | 12.25% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | July 19, 2024 | 20.45% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | August 12, 2024 | 19.50% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | August 15, 2024 | 19.60% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | August 16, 2024 | 19.50% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | August 22, 2024 | 19.60% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | August 30, 2024 | 19.50% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | September 9, 2024 | 19.75% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | September 23, 2024 | 18.00% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | November 5, 2024 | 17.56% | - | 500,000 | 500,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | December 6, 2024 | 15.00% | - | 600,000 | 600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | February 21, 2025 | 12.25% | - | 520,000 | 520,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | March 18, 2025 | 12.10% | - | 1,000,000 | 1,000,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | April 18, 2025 | 12.35% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | April 22, 2025 | 12.25% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | April 23, 2025 | 12.20% | - | 1,600,000 | 1,600,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | April 25, 2025 | 12.20% | - | 700,000 | 700,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | April 29, 2025 | 12.20% | - | 1,500,000 | 1,500,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | April 30, 2025 | 12.20% | - | 1,500,000 | 1,500,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | May 5, 2025 | 12.10% | - | 1,400,000 | 1,400,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | May 7, 2025 | 11.10% | - | 1,400,000 | 1,400,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | May 8, 2025 | 11.10% | - | 1,400,000 | 1,400,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | May 9, 2025 | 11.15% | - | 1,400,000 | 1,400,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | May 13, 2025 | 11.15% | - | 1,500,000 | 1,500,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | May 14, 2025 | 11.15% | - | 1,400,000 | 1,400,000 | - | - | - | - | - | - |
| Zarai Taraqati Bank Limited | AAA, VIS | May 15, 2025 | 11.15% | - | 1,400,000 | 1,400,000 | - | - | - | - | - | - |
| Total as at June 30, 2025 | | | | | | | | | | | | |
| Total as at June 30, 2024 | | | | | | | | | | | | |

5.6

Corporate sukuk certificates

| Name of the security | Rating | Profit payments / principal redemptions | Maturity date | Profit rate | As at July 1, 2024 | Purchased during the year | Sold / redeemed during the year | As at June 30, 2025 | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealised appreciation / (diminution) as at June 30, 2025 | Percentage in relation to | |
|----------------------|--------|---|---------------|-------------|------------------------|---------------------------|---------------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------|--|
| | | | | | Number of certificates | | | (Rupees in '000) | | | ----- % ----- | | |

Power generation & distribution

| | | | | | | | | | | | | | |
|---|-----------|---------------|------------------|--|---|-----|-----|---|---|---|---|---|---|
| K-Electric Limited (STS-XXVI) (Face value of Rs 1,000,000 per certificate) | A-1+, VIS | Semi-annually | January 05, 2025 | 6 months KIBOR plus base rate of 0.15% | - | 325 | 325 | - | - | - | - | - | - |
| Total as at June 30, 2025 | | | | | | | | | | | | | |
| Total as at June 30, 2024 | | | | | | | | | | | | | |

| | | 2025 | 2024 |
|------------|---|--------------------------|---------------|
| | | ----(Rupees in '000)---- | |
| 5.7 | Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' | | |
| | | | |
| | Market value of investments | 2,941,085 | 124,299 |
| | Less: carrying value of investments | (2,939,681) | (124,350) |
| | | <u>1,404</u> | <u>(51)</u> |
| 6 | PROFIT RECEIVABLE | | |
| | | | |
| | Profit receivable on savings accounts | 1,242 | 84,132 |
| | Accrued income on margin trading system | 3,615 | 5,058 |
| | | <u>4,857</u> | <u>89,190</u> |
| 7 | DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | |
| | | | |
| | Advance tax | 479 | 479 |
| | Prepaid rating fee | 263 | 236 |
| | National Clearing and Settlement System security deposit | 250 | 250 |
| | Security deposit with the Central Depository Company of Pakistan Limited | 100 | 100 |
| | Security deposit with National Clearing Company of Pakistan Limited | 250 | 268 |
| | Other receivable | 100 | 100 |
| | | <u>1,442</u> | <u>1,433</u> |

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, withholding taxes on profit on bank balances and debt securities paid to the Fund have been deducted by various withholding agents based on the interpretation issued by the FBR vide letter C. No. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholders. The taxes withheld on profit on bank balances and debt securities as at June 30, 2025 amounted to Rs. 0.479 million (2024: Rs 0.479 million).

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

| 8 | PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY | Note | 2025 ------(Rupees in '000)----- | 2024 |
|---|--|------|-------------------------------------|---------------|
| | Remuneration payable to the Management Company | 8.1 | 7,316 | 3,521 |
| | Sindh sales tax on remuneration payable to the Management Company | 8.2 | 1,097 | 458 |
| | Allocated expenses payable | 8.3 | - | - |
| | Selling and marketing expenses payable | 8.4 | 261 | 4,549 |
| | Sindh sales tax on selling and marketing expenses payable | 8.2 | 39 | - |
| | Federal Excise Duty on remuneration of the Management Company and sales load | 8.5 | 2,808 | 2,808 |
| | Sales and transfer load payable | | 32,292 | 7,606 |
| | Sindh sales tax on sales and transfer load | | 4,844 | 989 |
| | Alternative delivery channels (ADC) charges payable including Sindh sales tax | | 1,039 | 932 |
| | | | <u>49,696</u> | <u>20,863</u> |

- 8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates:

| 2025 | | | | 2024 | |
|--|---|---|--|--|--|
| Rate applicable from July 01, 2024 to November 24, 2024 | Rate applicable from November 25, 2024 to January 12, 2025 | Rate applicable from January 13, 2025 to January 15, 2025 | Rate applicable from January 16, 2025 to June 30, 2025 | Rate applicable from July 01, 2023 to March 13, 2024 | Rate applicable from March 14, 2024 to June 30, 2024 |
| 3.4% of net income, subject to a floor and capping of 0.5% and 1.0% of average annual net assets | 2.95% of net income, subject to a floor and capping of 0.5% and 1.0% of average annual net assets | 0.6% of average annual net assets | 1.01% of average annual net assets | 8% of net income, subject to floor and capping of 0.5% and 1.5% of average annual net assets | 3.4% of net income, subject to a floor and capping of 0.5% and 1.0% 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 an "Income Scheme". This revision is effective from July 01, 2025.

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

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

- 8.3 In accordance with Regulation 60 of the NBFC Regulations, 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 not charged accounting and operational charges during the year ended June 30, 2025 (2024: 0.15% of daily average annual net assets from July 1, 2023 till March 13, 2024 and Nil charge from March 14, 2024 till June 30, 2024).

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

- 8.4** In accordance with Circular 11 dated July 5, 2019 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.

| 2025 | | | 2024 | | | |
|---|--|--|---|--|--|--|
| Rate applicable from July 01, 2024 to November 24, 2024 | Rate applicable from November 25, 2024 to January 12, 2025 | Rate applicable from January 13, 2025 to June 30, 2025 | Rate applicable from July 01, 2023 to July 31, 2023 | Rate applicable from August 1, 2023 to November 07, 2023 | Rate applicable from November 08, 2023 to March 13, 2024 | Rate applicable from March 14, 2024 to June 30, 2024 |
| Nil | 0.10% per annum of average daily net assets | Nil | 0.8% per annum of average daily net assets | 0.65% per annum of average daily net assets | 0.55% per annum of average daily net assets | 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.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 2.808 million (2024: Rs 2.808 million) is being retained in the financial statements of the Fund as the matter is pending before the SCP. Had the provision for FED not been made, the net asset value per unit of the Fund as at June 30, 2025 would have been higher by Re. 0.0046 (2024: Re 0.0044) per unit.

| 9 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY | Note | 2025 | 2024 |
|---|--|-------------|---------------------------|-------------|
| | | | -----(Rupees in '000)---- | |
| | Remuneration payable to Trustee | 9.1 | 543 | 356 |
| | Sindh sales tax payable on Trustee remuneration | 9.2 | 81 | 46 |
| | Settlement charges payable | | 1 | 11 |
| | | | <u>625</u> | <u>413</u> |

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Accordingly, the Fund has charged the Trustee fee at the rate of 0.075% per annum of the average annual net assets during the year (2024: 0.075% per annum).

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

| 10 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2025 | 2024 |
|----|--|-------------|---------------------------|-------------|
| | | | -----(Rupees in '000)---- | |
| | Fee payable | 10.1 | <u>543</u> | <u>356</u> |

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.075% per annum of the average daily net assets of the Fund, applicable to an "Income Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2024: 0.075%) per annum of the average daily net assets during the year. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

| 11 | ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2025 | 2024 |
|----|---|-------------|---------------------------|---------------|
| | | | -----(Rupees in '000)---- | |
| | Auditors' remuneration payable | | 764 | 683 |
| | Printing charges payable | | 134 | 80 |
| | Settlement charges payable | | 33 | 226 |
| | Bank charges payable | | 140 | 210 |
| | Withholding tax payable | | 112,572 | 37,166 |
| | Capital gain tax payable | | 63,504 | 1,368 |
| | Legal and professional charges payable | | 158 | 168 |
| | Other payable | | 120 | 27 |
| | | | <u>177,425</u> | <u>39,928</u> |

12 CONTINGENCIES AND COMMITMENTS

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

| 13 | NUMBER OF UNITS IN ISSUE | 2025 | 2024 |
|----|---|------------------------|----------------------|
| | | (Number of units) | |
| | Total units in issue at the beginning of the year | 639,595,958 | 335,582,320 |
| | Add: units issued during the year | 2,586,749,511 | 733,140,941 |
| | Less: units redeemed during the year | <u>(2,614,820,831)</u> | <u>(429,127,303)</u> |
| | Total units in issue at the end of the year | <u>611,524,638</u> | <u>639,595,958</u> |

| | | 2025 | 2024 |
|---|------|---------------------------|------------------|
| | Note | -----(Rupees in '000)---- | |
| 14 AUDITORS' REMUNERATION | | | |
| Annual audit fee | | 546 | 542 |
| Fee for half yearly review | | 226 | 224 |
| Other certification | | 162 | 150 |
| Out of pocket expenses | | 29 | 46 |
| | | <u>963</u> | <u>962</u> |
| 15 CASH AND CASH EQUIVALENTS | | | |
| Bank balances | 4 | 3,905,375 | 5,557,517 |
| Government securities - Market Treasury Bills with original maturity of 3 months or less | 5.1 | <u>737,533</u> | - |
| | | <u>4,642,908</u> | <u>5,557,517</u> |

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2025 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2025 is 1.26% (2024: 2.17%) which includes 0.22% (2024: 0.25%) representing government levies on the Fund such as sales taxes and annual fee to the SECP etc. The TER excluding government levies is 1.04% (2024: 1.92%) which is within the maximum limit of 2.5% prescribed 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 8.1 to these financial statements.

18 DETAILS OF NON-COMPLIANT INVESTMENTS

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

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

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

Following are the details of non-compliant investments:

| Name of non-compliant investment | Note | Type of investment | Value of investment before provision | Provision held, if any | Value of investment after provision | % of net assets | % of gross assets |
|---|------|---------------------------|--------------------------------------|------------------------|-------------------------------------|-----------------|-------------------|
| ----- (Rupees in '000) ----- | | | | | | | |
| Eden Housing Limited Sukuk (2nd Issue) | 5.4 | Sukuks | 19,688 | (19,688) | - | - | - |
| New Allied Electronic Industries (Private) Limited - Sukuk II | 5.4 | Sukuks | 49,054 | (49,054) | - | - | - |
| Saudi Pak Leasing Company Limited - TFC II | 5.2 | Term finance certificates | 41,321 | (41,321) | - | - | - |
| Worldcall Telecom Limited - TFC III | 5.2 | Term finance certificates | 21,516 | (21,516) | - | - | - |
| Agritech Limited - Class A (not rated) | 5.3 | Preference Shares | - | - | - | - | - |
| Total carrying value and accumulated impairment as at June 30, 2025 | | | 131,579 | (131,579) | - | - | - |
| Total carrying value and accumulated impairment as at June 30, 2024 | | | 301,251 | (301,251) | - | - | - |

19 TOTAL DISTRIBUTION

The Fund is allowed to make distribution on a daily basis and re-invest the distributed dividend as per clause 5.2 of the Offering Document. During the year ended June 30, 2025, the Management Company on behalf of the Fund, based on its own discretion decided to distribute income as dividend on a daily basis from July 02, 2024 till July 05, 2024 at the rate of Rs 0.0001 per unit per day aggregating to Rs. 0.250 million after deducting applicable taxes.

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 20.1** 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 owning directly or indirectly ten percent or more of net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 20.2** Transactions with related parties / connected persons essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 20.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 20.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 20.5** Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company subject to the maximum prescribed Total Expense Ratio.

| Transactions during the year: | 2025 | 2024 |
|--|----------------------------|-----------|
| | ----- Rupees in '000 ----- | |
| NBP Fund Management Limited - the Management Company | | |
| Remuneration of NBP Fund Management Limited - the Management Company | 71,878 | 51,024 |
| Sindh sales tax on remuneration of the Management Company | 10,782 | 6,633 |
| Sales and transfer load charged | 46,720 | 27,147 |
| Sindh sales tax on sales load paid | 7,008 | 3,529 |
| Reimbursement of allocated expenses | - | 4,017 |
| Reimbursement of selling and marketing expenses | 943 | 16,429 |
| Sindh sales tax on reimbursement of selling and marketing expenses | 142 | - |
| Alternative delivery channels charges including Sindh sales tax | 1,265 | 915 |
| Units issued to unitholders on behalf of the Management Company | 3,032 | - |
| Central Depository Company of Pakistan Limited - the Trustee | | |
| Remuneration of the Central Depository Company of Pakistan Limited - the Trustee | 6,412 | 3,107 |
| Sindh sales tax on remuneration of the Trustee | 962 | 404 |
| Settlement charges | 236 | 81 |
| National Bank of Pakistan - Parent company | | |
| Profit on savings account | 176 | 30 |
| Employees of the Management Company | | |
| Dividend re-invested: 421 units (2024: 135,005 units) | 4 | 1,337 |
| Units issued: 1,258,359 units (2024: 4,320,490 units) | 13,493 | 43,446 |
| Units redeemed: 1,785,190 units (2024: 4,005,868 units) | 19,136 | 40,650 |
| NBP Employees Pension Fund - unit holder with more than 10% holding | | |
| Dividend re-invested: 13,413,094 units (2024: 18,959,117 units) | 132,899 | 187,697 |
| Units issued: 2,676,805 units (2024: Nil units) | 26,352 | - |
| Portfolio managed by Management Company | | |
| Dividend re-invested: 5 units (2024: 7 units) * | - | - |
| Units issued: 4 units (2024: Nil units) * | - | - |
| Purchase of treasury bills | 250,121 | - |
| Sale of treasury bills | 29,879 | - |
| Fauji Fertilizer Company Limited - common directorship | | |
| Units issued: 1,053,452,851 units (2024: Nil units) | 11,113,067 | - |
| Units redeemed: 1,035,253,738 units (2024: Nil units) | 10,983,260 | - |
| Defence Housing Authority Lahore - unit holder with more than 10% holding | | |
| Dividend re-invested: 11,317,537 units (2024: 2,264,384 units) | 112,029 | 21,559 |
| Units issued: 4 units (2024: 100,975,495 units) | - | 1,000,000 |

| | 2025 | 2024 |
|--|----------------------------|-----------|
| | ----- Rupees in '000 ----- | |
| K.T.H CP Fund (M.T.I) - unit holder with more than 10% holding *** | | |
| Dividend re-invested: Nil units (2024: 13,436,580 units) | - | 120,582 |
| Units issued: Nil units (2024: 18,605,212 units) | - | 340,158 |
| Units redeemed: Nil units (2024: 1,344,665 units) | - | 14,708 |
| | | |
| K-Electric Limited - Common directorship | | |
| Purchase of corporate sukuk certificates | 325,000 | - |
| Corporate sukuk matured | 325,000 | - |
| Income on corporate sukuk certificates | 33,364 | - |
| | | |
| Amounts / balances outstanding as at year end: | | |
| NBP Fund Management Limited - the Management Company | | |
| Remuneration payable to the Management Company | 7,316 | 3,521 |
| Sindh sales tax on remuneration of the Management Company | 1,097 | 458 |
| Selling and marketing expenses payable | 261 | 4,549 |
| Sindh sales tax on selling and marketing expenses payable | 39 | - |
| Sales and transfer load payable | 32,292 | 7,606 |
| Sindh sales tax on sales and transfer load | 4,844 | 989 |
| Federal Excise Duty on remuneration of the Management Company and sales load | 2,808 | 2,808 |
| Alternative delivery channels (ADC) charges payable including Sindh sales tax | 1,039 | 932 |
| | | |
| Central Depository Company of Pakistan Limited - the Trustee | | |
| Remuneration of the Trustee | 543 | 356 |
| Sindh sales tax on remuneration of the Trustee | 81 | 46 |
| Settlement charges payable | 1 | 11 |
| Security deposit | 100 | 100 |
| | | |
| National Bank of Pakistan - Parent company | | |
| Bank balance | 8,921 | 2,439 |
| Profit receivable | - | 36 |
| | | |
| Employees of the Management Company ** | | |
| Units held: 116,098 units (2024: 641,480 units) | 1,151 | 6,347 |
| | | |
| Portfolio managed by the Management Company | | |
| Units held: 51 units (2024: 44 units) * | - | - |
| | | |
| NBP Employees Pension Fund - unit holder with more than 10% holding | | |
| Units held: 136,072,973 units (2024: 119,983,074 units) | 1,349,463 | 1,187,233 |
| | | |
| Fauji Fertilizer Company Limited - common directorship | | |
| Units held: 18,199,113 units (2024: Nil units) | 180,484 | - |

| | 2025 | 2024 |
|---|----------------------------|-----------|
| | ----- Rupees in '000 ----- | |
| Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer of the Management Company | | |
| Units held: 1 unit (2024: 1 unit) * | - | - |
| Telenor Microfinance Bank Limited - common directorship | | |
| Bank balance | 7 | 7 |
| Profit receivable on bank balance | 1 | 2 |
| Defence Housing Authority Lahore - unit holder with more than 10% holding | | |
| Units held: 114,557,420 units (2024: 103,239,879 units) | 1,136,089 | 1,021,559 |
| K.T.H CP Fund (M.T.I) - unit holder with more than 10% holding | | |
| Units held: Nil units (2024: 87,654,239 units) *** | - | 867,339 |

* Nil due to rounding off.

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

***Current year figures has not been shown as the company ceased to be a related party/ connected person as at June 30, 2025.

21 FINANCIAL INSTRUMENTS BY CATEGORY

| | 2025 | | |
|--|------------------------------|-----------------------------|------------------|
| | At amortized cost | At fair value through | Total |
| | ----- (Rupees in '000) ----- | | |
| Financial assets | | | |
| Bank balances | 3,905,375 | - | 3,905,375 |
| Investments | - | 2,941,085 | 2,941,085 |
| Receivable against margin trading system | 198,864 | - | 198,864 |
| Profit receivable | 4,857 | - | 4,857 |
| Receivable against conversion of units | 619,312 | - | 619,312 |
| Deposits and other receivable | 700 | - | 700 |
| | <u>4,729,108</u> | <u>2,941,085</u> | <u>7,670,193</u> |
| Financial liabilities | | | |
| Payable to NBP Fund Management Limited - the Management Company | 49,696 | - | 49,696 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | 625 | - | 625 |
| Payable against redemption of units | 1,378,064 | - | 1,378,064 |
| Accrued expenses and other liabilities | 1,349 | - | 1,349 |
| | <u>1,429,734</u> | <u>-</u> | <u>1,429,734</u> |

| | 2024 | | |
|---|------------------------------|--------------------------------------|------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees in '000) ----- | | |
| Financial assets | | | |
| Bank balances | 5,557,517 | - | 5,557,517 |
| Investments | - | 124,299 | 124,299 |
| Receivable against margin trading system | 617,925 | - | 617,925 |
| Profit receivable | 89,190 | - | 89,190 |
| Deposits | 718 | - | 718 |
| | <u>6,265,350</u> | <u>124,299</u> | <u>6,389,649</u> |
| Financial liabilities | | | |
| Payable to NBP Fund Management Limited - the Management Company | 20,863 | - | 20,863 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | 413 | - | 413 |
| Accrued expenses and other liabilities | 1,394 | - | 1,394 |
| | <u>22,670</u> | <u>-</u> | <u>22,670</u> |

22 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.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of the 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 regulations laid down by the SECP.

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

(i) Yield / interest rate risk

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

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 39.054 million (2024: Rs. 55.575 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds market treasury bills which expose the Fund to cash flow interest rate risk. In case of 100 basis points decrease / increase 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. 29.411 million (2024: Rs. 1.243 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 financial 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:

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

On balance sheet financial instruments

(Rupees in '000)

Financial assets

| | | | | | | |
|--|----------------|-----------|---------|---|---------|-----------|
| Bank balances | 0.10% - 11.50% | 3,905,375 | - | - | - | 3,905,375 |
| Investments | 10.95% - 12% | 1,981,861 | 959,224 | - | - | 2,941,085 |
| Receivable against margin trading system | | - | - | - | 198,864 | 198,864 |
| Profit receivable | | - | - | - | 4,857 | 4,857 |
| Receivable against conversion of units | | - | - | - | 619,312 | 619,312 |
| Deposits and other receivable | | - | - | - | 700 | 700 |
| | | 5,887,236 | 959,224 | - | 823,733 | 7,670,193 |

Financial liabilities

| | | | | | | |
|---|--|---|---|---|-----------|-----------|
| Payable to NBP Fund Management Limited - the Management Company | | - | - | - | 49,696 | 49,696 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | | - | - | - | 625 | 625 |
| Payable against redemption of units | | - | - | - | 1,378,064 | 1,378,064 |
| Accrued expenses and other liabilities | | - | - | - | 1,349 | 1,349 |
| | | - | - | - | 1,429,734 | 1,429,734 |

On-balance sheet gap

5,887,236 959,224 - (606,001) 6,240,459

Total interest rate sensitivity gap

5,887,236 959,224 - (606,001) 6,240,459

Cumulative interest rate sensitivity gap

5,887,236 6,846,460 6,846,460

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

On balance sheet financial instruments

----- (Rupees in '000) -----

Financial assets

| | | | | | | |
|--|-----------------|-----------|---|---|---------|-----------|
| Bank balances | 18.50% - 21.25% | 5,557,517 | - | - | - | 5,557,517 |
| Investments | 20.96% | 124,299 | - | - | - | 124,299 |
| Receivable against margin trading system | | - | - | - | 617,925 | 617,925 |
| Profit receivable | | - | - | - | 89,190 | 89,190 |
| Deposits | | - | - | - | 718 | 718 |
| | | 5,681,816 | - | - | 707,833 | 6,389,649 |

Financial liabilities

| | | | | | | |
|---|--|---|---|---|--------|--------|
| Payable to NBP Fund Management Limited - the Management Company | | - | - | - | 20,863 | 20,863 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | | - | - | - | 413 | 413 |
| Accrued expenses and other liabilities | | - | - | - | 1,394 | 1,394 |
| | | - | - | - | 22,670 | 22,670 |

On-balance sheet gap

| | | | | |
|-----------|---|---|---------|-----------|
| 5,681,816 | - | - | 685,163 | 6,366,979 |
|-----------|---|---|---------|-----------|

Total interest rate sensitivity gap

| | | | | |
|-----------|---|---|---------|-----------|
| 5,681,816 | - | - | 685,163 | 6,366,979 |
|-----------|---|---|---------|-----------|

Cumulative interest rate sensitivity gap

| | | |
|-----------|-----------|-----------|
| 5,681,816 | 5,681,816 | 5,681,816 |
|-----------|-----------|-----------|

(ii) Currency risk

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

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not have any financial instruments which are subject to price risk as of June 30, 2025.

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

22.2 Credit risk

22.2.1 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, receivable against conversion of units and certain other receivables (including receivable against margin trading system). Credit risk arising on financial assets is monitored through regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, investment manager monitors the credit position on daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

| | 2025 | | 2024 | |
|--|--|---------------------------------|--|---------------------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| ----- Rupees in '000 ----- | | | | |
| Bank balances | 3,905,375 | 3,905,375 | 5,557,517 | 5,557,517 |
| Investments | 2,941,085 | - | 124,299 | - |
| Receivable against margin trading system | 198,864 | 198,864 | 617,925 | 617,925 |
| Profit receivable | 4,857 | 4,857 | 89,190 | 89,190 |
| Receivable against conversion of units | 619,312 | 619,312 | - | - |
| Deposits | 700 | 700 | 718 | 718 |
| | <u>7,670,193</u> | <u>4,729,108</u> | <u>6,389,649</u> | <u>6,265,350</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, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

22.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, profit accrued thereon, receivable against conversion of units and receivable against margin trading system. However, the management believes that there is minimal credit risk on its receivable against conversion of units and receivable against margin trading system as these are receivable from funds under the management of the Management Company and NCCPL. The credit rating profile of balances with banks and profit accrued thereon is as follows:

| Rating | % of financial assets exposed to credit risk | |
|--|--|-------------|
| | 2025 | 2024 |
| Bank balances and accrued profit thereon | | |
| AAA | 16.28% | - |
| AA+ | 0.04% | 1.45% |
| AA- | 56.18% | 95.68% |
| AA | 1.05% | 0.28% |
| A+ | 24.83% | 2.58% |
| A- | 0.00% | 0.01% |
| A | 1.62% | - |
| | <u>100%</u> | <u>100%</u> |

22.2.3 Concentration of credit risk

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

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

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

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

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

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

| | ----- 2025 ----- | | | | | | |
|---|----------------------------|---|--|--|----------------------|--|-----------|
| | Within one month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than five years | Financial instruments with no fixed maturity | Total |
| | ----- Rupees in '000 ----- | | | | | | |
| Financial liabilities | | | | | | | |
| Payable to NBP Fund Management Limited - the Management Company | 49,696 | - | - | - | - | - | 49,696 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | 625 | - | - | - | - | - | 625 |
| Payable against redemption of units | 1,378,064 | - | - | - | - | - | 1,378,064 |
| Accrued expenses and other liabilities | 585 | 764 | - | - | - | - | 1,349 |
| | 1,428,970 | 764 | - | - | - | - | 1,429,734 |

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

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

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company

| | | | | | | |
|---------------|------------|----------|----------|----------|----------|---------------|
| 20,863 | - | - | - | - | - | 20,863 |
| 413 | - | - | - | - | - | 413 |
| 711 | 683 | - | - | - | - | 1,394 |
| <u>21,987</u> | <u>683</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>22,670</u> |

Payable to Central Depository Company of Pakistan Limited - the Trustee

Accrued expenses and other liabilities

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

23.1 Fair value hierarchy

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

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

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

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

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

| ASSETS | 2025 | | | Total |
|--|---------|-----------|---------|-----------|
| | Level 1 | Level 2 | Level 3 | |
| ----- Rupees in '000 ----- | | | | |
| Financial assets - at fair value through profit or loss | | | | |
| Government securities - Market Treasury Bills | - | 2,941,085 | - | 2,941,085 |

| ASSETS | 2024 | | | |
|--|---------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| ----- Rupees in '000 ----- | | | | |
| Financial assets - at fair value through profit or loss | | | | |
| Government securities - Market Treasury Bills | - | 124,299 | - | 124,299 |

| Item | Valuation technique |
|-----------------------|--|
| Market Treasury Bills | The fair value of Market Treasury Bills are derived using PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers. |

There were no transfers between levels during the year.

24 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 22, 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.

25 UNIT HOLDING PATTERN OF THE FUND

| Category | ----- June 30, 2024 ----- | | | ----- June 30, 2023 ----- | | |
|------------------------------------|---------------------------|-------------------|---------------------|---------------------------|-------------------|---------------------|
| | 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 | 3,495 | 2,990,798 | 49.31% | 2,380 | 2,478,709 | 39.17% |
| Public limited companies | 2 | 180,484 | 2.98% | - | - | 0.00% |
| Retirement funds | 9 | 214,752 | 3.54% | 8 | 1,412,476 | 22.32% |
| Associated companies and directors | 1 | 1,349,463 | 22.25% | 2 | 226,126 | 3.57% |
| Others | 36 | 1,329,085 | 21.92% | 22 | 2,211,493 | 34.94% |
| | 3,543 | 73,606,049 | 100.00% | 2,412 | 6,328,804 | 100% |

*Nil due to rounding off difference

26 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

| Name of broker | 2025 % of commission paid | Name of broker | 2024 % of commission paid |
|--|------------------------------|-----------------------------------|------------------------------|
| C & M Management (Private) Limited | 30.28% | Summit Capital (Private) Limited | 47.65% |
| Magenta Capital (Private) Limited | 23.12% | Invest One Markets Limited | 23.30% |
| Alfalah Securities (Private) Limited | 9.14% | Magenta Capital (Private) Limited | 23.24% |
| Invest One Markets Limited | 8.99% | Bright Capital (Private) Limited | 4.18% |
| AKD Securities Limited | 7.33% | BMA Capital Management Limited | 1.63% |
| Bright Capital (Private) Limited | 6.91% | | |
| Continental Exchange (Private) Limited | 4.38% | | |
| First Credit & Investment Bank | 3.58% | | |
| Optimus Capital Management (Private) Limited | 3.24% | | |
| BMA Capital Management Limited | 1.81% | | |
| | 98.78% | | 100.00% |

27 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

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

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

28 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 | - | - | - | - |
| Dr. 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.

29 GENERAL

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

30 CORRESPONDING FIGURES

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

31 DATE OF AUTHORISATION FOR ISSUE

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

| Particulars | For the year ended June 30, 2025 | For the year ended June 30, 2024 | For the year ended June 30, 2023 | For the year ended June 30, 2022 | For the year ended June 30, 2021 | For the year ended June 30, 2020 | For the year ended June 30, 2019 |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Net assets (Rs. '000') | 6,064,582 | 6,328,804 | 3,320,580 | 1,728,355 | 1,532,005 | 1,694,570 | 1,003,926 |
| Net Income / (loss) (Rs. '000') | 1,117,366 | 833,141 | 413,236 | 135,958 | 99,643 | 129,128 | 83,840 |
| Net Asset Value per units (Rs.) | 9.9172 | 9.8950 | 9.8950 | 9.8335 | 9.8076 | 9.7943 | 9.7759 |
| Offer price per unit | 10.2563 | 10.2304 | 10.2304 | 9.9414 | 9.9168 | 9.9050 | 9.8864 |
| Redemption price per unit | 9.9172 | 9.8950 | 9.8950 | 9.8335 | 9.8076 | 9.7943 | 9.7759 |
| Ex - Highest offer price per unit (Rs.) | 10.2364 | 10.2304 | 10.2304 | 10.8226 | 9.9168 | 9.9050 | 10.7662 |
| Ex - Lowest offer price per unit (Rs.) | 8.9253 | 8.6030 | 8.6030 | 9.0897 | 9.3071 | 8.7363 | 9.8682 |
| Ex - Highest redemption price per unit (Rs.) | 9.8950 | 9.8950 | 9.8950 | 9.8335 | 9.8076 | 9.7943 | 10.6459 |
| Ex - Lowest redemption price per unit (Rs.) | 8.6363 | 8.5069 | 8.5069 | 8.9898 | 9.2022 | 8.7363 | 9.7579 |
| Fiscal Year Opening Ex NAV | 8.6327 | 8.5037 | 8.5037 | 8.9882 | 9.2006 | 8.7337 | 9.7548 |
| Total return of the fund | 14.88% | 22.10% | 16.36% | 9.40% | 6.60% | 12.11% | 9.30% |
| Capital growth | 0.26% | 0.72% | 0.72% | 0.29% | 0.14% | 0.18% | 0.16% |
| Income distribution as % of Ex-NAV | 14.62% | 15.64% | 15.64% | 9.12% | 6.45% | 11.94% | 9.14% |
| Income distribution as % of Par Value | 14.47% | 15.38% | 15.38% | 8.94% | 6.32% | 11.67% | 8.91% |
| Interim distribution per unit | 1.4468 | 1.5377 | 1.5377 | 0.8941 | 0.6320 | 1.1669 | 0.8911 |
| Final distribution per unit | | | | | | | |
| Distribution dates | | | | | | | |
| Interim | 6/24/2025 | 6/21/2024 | 6/21/2023 | 24-Jun-22 | 24-Jun-21 | 24-Jun-20 | 24-Jun-19 |
| Final | | | | | | | |
| Average annual return (launch date 28-03-08) | | | | | | | |
| (Since inception to June 30, 2025) | 7.68% | | | | | | |
| (Since inception to June 30, 2024) | | 7.30% | | | | | |
| (Since inception to June 30, 2023) | | | 6.35% | | | | |
| (Since inception to June 30, 2022) | | | | 5.70% | | | |
| (Since inception to June 30, 2021) | | | | | 5.40% | | |
| (Since inception to June 30, 2020) | | | | | | 5.31% | |
| (Since inception to June 30, 2019) | | | | | | | 4.70% |
| (Since inception to June 30, 2018) | | | | | | | |
| Portfolio Composition (Please see Fund Manager Report) | | | | | | | |
| Weighted average portfolio duration | 40 Days | 6 Days | 1 Day | 4 Days | 4 Days | 12 Days | |
| <i>"Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up."</i> | | | | | | | |

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds