

## NBP Pakistan Growth Index Index Methodology

### Stock Selection

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First Filter	The stock should be a part of the KSE-100 Index.
Second Filter	Top 30 companies based on Free Float Market Capitalization.
Third Filter	Average daily turnover of above shares during the trading sessions falling in the previous one-year period at the time of creation of the Index/ recompositing should be at least 100,000 shares.
Fourth Filter	Not traded below 10,000 shares on any single day during last 12 months or total trading days from the listing of such stock if the period of listing is less than 12 months.
Fifth Filter	Top 15 stocks based on free float market capitalization meeting the above criteria will be selected.

At least 15 stocks should be the part of index, in case where the stocks filtered are below 15, the free float market cap list may be extended beyond 30 stocks till the portfolio has minimum 15 stocks. Even after this if 15 stocks are not available, the stocks meeting the criteria will be part of the index.

### Weight Assignment

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The stocks selected based on above criteria are assigned weights based on the free-float market capitalization and average daily traded value of each such stock as percentage of total free-float market capitalization and average daily traded value of the Index respectively.

- a weight of 50% is based on Market Capitalization.
- a weight of 50% is based on Average Traded Value.

The weight of each stock in the index, should be assigned in such a way that it should be in a range of 3% to 10%, i.e. minimum 3% and maximum 10%.

In case where weight of a stock is less than 3%, then the weight from the stock which are above 10% would be allocated to increasing the weight to 3%. If the weight of stock does not meet minimum threshold and no stock is greater than 10%, weight from those barring the ones falling below 3% would be proportionally distributed to ones falling below 3% until a minimum weight is achieved.

Even if after redistribution of weights to those falling below minimum threshold, the weight of certain stock remains higher than 10% than the excess weight would be distributed proportionally to the original allocation to the remaining stock, to the stocks which are lower than the 10%.

### Rebalancing and Reconstitution

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Rebalancing	Reconstitution
Last working day of: <ul style="list-style-type: none"><li>• April</li><li>• July</li><li>• October</li><li>• January</li></ul>	Last working day of: <ul style="list-style-type: none"><li>• July</li><li>• January</li></ul>

Implementation of rebalancing/reconstitution will be on the 5th working day of the following month.

Free float shares of companies shall be updated semiannually at the time of index re-composition. Free float of index shall not be updated at the time of rebalancing. No rebalancing of weight of index constituents if the weight of constituents is within the range of 3% to 10%.

Re-balancing/re-constitution of the Index may be carried out in certain circumstances which may include, but are not limited to, corporate announcements/actions including right issue, bonus issue, dividend declaration etc. that may require review or rebalancing of the existing Portfolio basket.

### Benchmark Index shall be Total Return Index

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Return calculation for the Benchmark Index shall be based on Total Return methodology. This means that for any given period, the return of the Benchmark Index shall constitute the price return plus any payouts announced by the constituent stocks of the Benchmark Index.

**Disclaimer:** All investments in mutual funds are subject to market risks. The investors are advised in their own interest to carefully read the contents of the Offering Document in particular the Investment Policies mentioned in Clause 2 and Risk Factors mentioned in Clause 2.6 and Warnings in clause 11 before making any investment decision. The Fund is not sponsored, endorsed, sold or marketed by Pakistan Stock Exchange to any extent.