



Managing Your Savings

NBP Fund Management Limited



NBP BALANCED FUND

ANNUAL REPORT
2024

AM1
Rated by PACRA

MISSION STATEMENT

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

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah 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

* Pending SECP approval

Trustee

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

Bankers to the Fund

Allied Bank Limited	MCB Bank Limited
Askari Bank Limited	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan
Bank Al Habib Limited	Zarai Taraqiati Bank Limited
Bank Islami Pakistan Limited	Dubai Islamic Bank Limited
Faysal Bank Limited	Soneri Bank Limited
Habib Bank Limited	Summit Bank Limited
Habib Metropolitan Bank Limited	United Bank Limited
JS Bank Limited	

Auditors

Grant Thornton Anjum Rahman.
1st & 3rd Floor,
Modern Motors House, Beaumont Road,
Karachi, 75530

Legal Advisor

Akhund Forbes
D-21, Block 4, 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
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



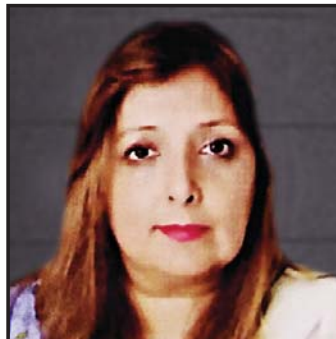
Mr. Faisal Ahmed*
Director



Mr. Ali Saigol
Director



Mr. Ruhail Muhammad
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

* Pending SECP approval

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 Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Business
Development Officer



Mr. Muhammad Imran, CFA, ACCA
Head of Portfolio Management



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Shahzad Mithani
Head of Corporate &
HNWIs Sales - South



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Mr. Waheed Abidi
Head of Internal Audit



Mr. Hassan Raza, CFA
Head of Research



Mr. Mustafa Farooq
Head of Compliance

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Eighteenth Annual Report of **NBP Balanced Fund** for the year ended June 30, 2024.

Fund's Performance

FY2024 was a stellar year for the stock market, as the benchmark KSE-100 index achieved new highs, settling slightly above 78,000 points at period end. During the year, the benchmark Index surged by around 37,000 points, translating into a phenomenal return of 89% in PKR terms and 94% in USD terms, making Pakistan the best performing stock market in the world.

The equities started off on a firm footing and the strong momentum continued throughout the year. The signing of the Staff Level Agreement (SLA) with IMF on June 29th, 2023 was the turning point for stock market. The IMF executive board approved USD 3 billion Stand-By Agreement (SBA) that paved way for other multi-lateral loans and inflows from friendly countries. The multiple loan tranches from IMF and deposits from KSA & UAE augmented the FX reserves, averted a possible balance of payment (BoP) crisis, and helped restore investors' confidence. Fitch also upgraded Pakistan's Long-Term Foreign Currency Issuer Rating. In tandem with SLA, Pakistan's dollar bonds rallied in the international market as bond prices across various tenures surged in the range of 66-93% during the period, reflecting increasing investors' optimism of improving external position. Multilateral inflows, particularly from ADB and World Bank, also gained momentum. Consequently, the SBP's FX reserves improved from USD 4.4 billion to USD 9.4 billion at period end. The improving reserves, coupled with a crackdown against illicit currency trade in the open market brought calm in currency market. Owing to prudent policies, the economy also showed signs of stabilization. The general elections, though remained marred by accusations of irregularities, were carried out smoothly in February and helped bring down the political uncertainty. The provisional GDP growth for FY2024 improved to 2.38% from 0.21% contraction a year ago, driven by robust agricultural growth. Continuing the improving trend on the external side, the current account deficit (CAD) further dropped to USD 665 mn, compared to USD 3.3 bn in the previous year. Average inflation remained elevated during 1H, however, it precipitated considerably in the latter half, averaging 23.4% for FY2024. The waning inflation prompted the Monetary Policy Committee (MPC) to gradually start with an easing cycle, with 150 bps cut taking place towards the end of FY2024. Secondary market yields across various tenures fell sharply from their peak, reflecting investors' optimism of significant rate cuts in the next year. The listed corporate space continued to declare impressive results with equally robust dividend announcements. In a significant development, one of the largest auto players delisted its shares from the bourse with the delisting price at least 7x higher than the prevailing price, handing over significant liquidity to investors and igniting strong interest in the market.

In terms of sector-wise performance, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Commercial Banks, Engineering, Fertilizer, Leather & Tanneries, Pharmaceutical, Power Generation & Distribution, Refinery, and Transport sectors outperformed the market. On the other hand, Cement, Chemicals, Food & Personal Care, Glass & Ceramics, Insurance, Investment Banks/Companies, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing Companies, Paper & Board, Sugar & Allied, Technology & Communication, and Textile Composite sectors lagged behind the market. Regarding participants' market activity, Foreigners, Insurance and Companies emerged as the largest net buyers with inflows of around USD 141 million, USD 126 million, and USD 36 million, respectively. Conversely, Banks/DFIs and Individuals reduced their net holdings by around USD 141 million and USD 60 million, respectively.

In FY2024, the State Bank's Monetary Policy Committee (MPC) held eight meetings, reducing the policy rate by 150 basis points in the fourth quarter to 20.50%. This decision was supported by improving macroeconomic indicators, thanks to measures aimed at curbing inflation and improving its outlook. The MPC noted a significant drop in inflation, a reduced current account deficit, and stronger foreign exchange (FX) reserves. However, they cautioned that risks to price stability remain due to domestic and external shocks, the base effect, and global commodity price fluctuations. The inflation outlook is also threatened by recent budgetary measures and frequent hikes in utility tariffs, which could slow the decline in inflation expectations.

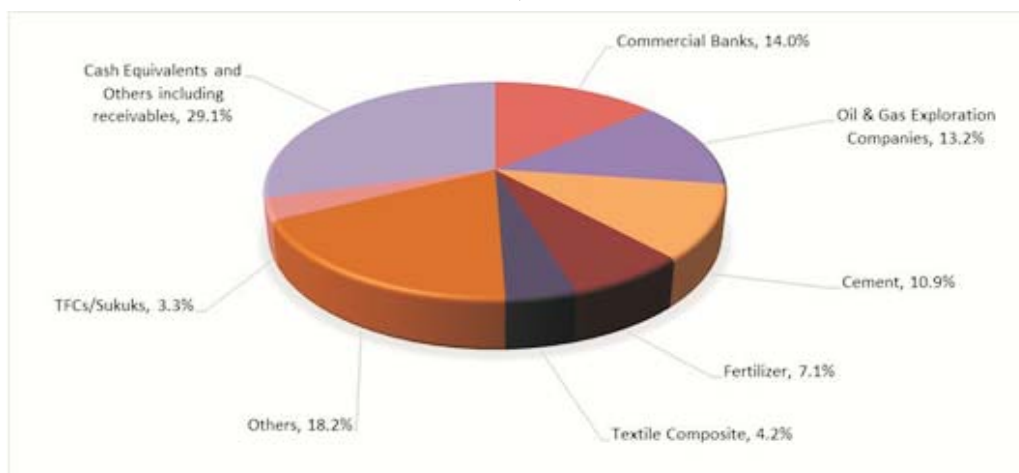
On a positive note, the narrower current account deficit, early reforms in exchange companies, and actions against illicit market activities have improved FX market sentiment and liquidity. Successful negotiations with the International Monetary Fund (IMF) regarding an Extended Fund Facility (EFF) program have also paved the way for additional multilateral and bilateral inflows, strengthening FX reserves and meeting near-term external financing needs as core inflation gradually cools. By June 2024, the State Bank of Pakistan's net liquid foreign exchange reserves stood at USD 9.4 billion.

In response to these policy measures, sovereign yields declined, with market participants showing greater interest in medium to long-term securities. The State Bank conducted twenty-six (26) T-Bill auctions, raising Rs. 21.7 trillion against a target of Rs. 21.1 trillion, with a maturity of Rs. 21.9 trillion. T-Bill yields decreased by 2.68%, 2.96%, and 4.25% for 3-month, 6-month, and 12-month tenures, respectively.

During the fiscal year, NBP Balanced Fund increased by 52.3% versus the Benchmark increased by 63.8% translating into an underperformance of 11.5% during the year. NBF underperformance during the year was because the Fund was underweighted in key stocks in Automobile Parts & Accessories, Commercial Banks, Fertilizer, Power Generation & Distribution and Refinery sectors that outperformed the market and was overweight in key stocks in Cement, Glass & Ceramics, Technology & Communication and Textile Composite, sectors that underperformed the market. Since its launch (January 19, 2007), the Fund has risen by 719.7%, versus the benchmark return of 493.6%, thus to date out-performance is 226.1%. This outperformance is net of management fee and all other expenses. The Fund size is 973 mln as of June 30, 2024.

NBP Balanced Fund has earned a total income of Rs. 383.84 million during the year. After deducting total expenses of Rs. 44.31 million, the net income is Rs. 339.53 million. During the year, the unit price of NBP Balanced Fund has increased from Rs. 16.1401 (Ex-Div) on June 30, 2023 to Rs. 24.589 on June 30, 2024. The resultant per unit gain is Rs.8.4489 (52.3%).

The asset allocation of NBP Balanced Fund as on June 30, 2024 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 16.884% of the opening ex-NAV (30.66% of the par value) during the year ended June 30, 2024.

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, Grant Thornton Anjum Rahman Chartered Accountants, has resigned in the capacity of Auditor of the Fund. The Board has approved the appointment of Messrs A. F. Ferguson & Co. Chartered Accountants, offer for appointment for the year ending June 30, 2025.

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

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the year. The attendance of all directors is disclosed in the note 25 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 24 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 21 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, 2024, the Board included:

Category	Names
Independent Directors	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Ruhail Muhammad
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Tauqeer Mazhar 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: October 30, 2024
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP بیلنڈڈ فنڈ کی اٹھارویں سالانہ رپورٹ برائے اختتام سال 30 جون 2024ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

مالی سال 2024 اسٹاک مارکیٹ کے لیے شاندار سال رہا کیونکہ بیچ مارک KSE-100 انڈیکس نے نئی بلندیوں کو حاصل کیا اور مدت کے اختتام پر 78,000 پوائنٹس سے زائد پر بند ہوا۔ سال کے دوران بیچ مارک انڈیکس میں تقریباً 37,000 پوائنٹس کا اضافہ ہوا جس کے نتیجے میں پاکستانی روپیہ میں 89 فیصد اور امریکی ڈالر کے لحاظ سے 94 فیصد کا غیر معمولی منافع ہوا جس سے پاکستان دنیا میں بہترین کارکردگی کا مظاہرہ کرنے والی اسٹاک مارکیٹ بن گیا۔

ایکویٹیوں کا آغاز مضبوط بنیادوں پر ہوا اور پورا سال مستحکم رفتار جاری رہی۔ 29 جون 2023 کو آئی ایم ایف کے ساتھ اسٹاک مارکیٹ (ایس ایل اے) پر دستخط اسٹاک مارکیٹ کے لیے ٹرننگ پوائنٹ تھا۔ آئی ایم ایف کے ایکویٹی بورڈ نے 3 ملین امریکی ڈالر کے اسٹینڈ بائی ایگریمنٹ (ایس بی اے) کی منظوری دی جس سے دوست ممالک سے دیگر کثیر الجہتی قرضوں اور سرمایہ کاری کی راہ ہموار ہوئی۔ آئی ایم ایف کی جانب سے قرضوں کی متعدد قسطوں اور سعودی عرب اور متحدہ عرب امارات کے ڈیپازٹس سے زرمبادلہ کے ذخائر میں اضافہ ہوا، ادائیگیوں کے توازن (بی او پی) کے مکنہ بحران کو نال دیا گیا اور سرمایہ کاروں کا اعتماد بحال کرنے میں مدد ملی۔ فنڈ نے پاکستان کی طویل مدتی فارن کرنسی ایئرز بینک کو بھی اپ گریڈ کیا ہے۔ ایس ایل اے کے ساتھ ساتھ بین الاقوامی مارکیٹ میں پاکستان کے ڈالر بانڈز میں اضافہ ہوا کیونکہ اس عرصے کے دوران مختلف ادوار میں بانڈز کی قیمتوں میں 66 سے 93 فیصد تک اضافہ ہوا جو سرمایہ کاروں کی بیرونی پوزیشن کو بہتر بنانے کی بڑھتی ہوئی امید کی عکاسی کرتا ہے۔ خاص طور پر ایشیائی ترقیاتی بینک اور عالمی بینک کی جانب سے کثیر الجہتی آمد میں بھی تیزی آئی ہے۔ نتیجتاً اسٹیٹ بینک پاکستان کے زرمبادلہ کے ذخائر سال کے اختتام پر 4.4 ملین ڈالر سے بڑھ کر 9.4 ملین ڈالر ہو گئے۔ زرمبادلہ کے ذخائر میں بہتری اور اوپن مارکیٹ میں کرنسی کی غیر قانونی تجارت کے خلاف کریک ڈاؤن نے کرنسی مارکیٹ میں سکون پیدا کیا۔ دانشمندانہ پالیسیوں کی وجہ سے معیشت میں استحکام کے آثار بھی نظر آئے۔ عام انتخابات پر اگرچہ بے ضابطگیوں کے الزامات ہیں لیکن فروری میں یہ انتخابات آسانی سے منعقد ہوئے اور سیاسی غیر یقینی صورتحال کو کم کرنے میں مدد ملی۔ زرعی نمو کے فروغ کی بدولت، مالی سال 24 کے لئے پروڈنٹل جی ڈی پی نمو ایک سال پہلے کی 0.21 فیصد کی سے بہتر ہو کر 2.38 فیصد ہو گئی۔ بیرونی سطح پر بہتری کے رجحان کو جاری رکھتے ہوئے کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) گزشتہ سال کے 3.3 ملین ڈالر کے مقابلے میں مزید کم ہو کر 665 ملین ڈالر رہ گیا۔ پہلی ششماہی کے دوران اوسط افراط زر میں اضافہ ہوا، تاہم دوسری ششماہی میں اس میں نمایاں کمی واقع ہوئی، جو مالی سال 24ء میں اوسطاً 23.4 فیصد رہی۔ افراط زر میں کمی نے مانیٹری پالیسی کمیٹی (ایم پی سی) کو بتدریج نرمی کا سائیکل شروع کرنے پر مجبور کیا، جس میں مالی سال 24 کے اختتام تک 150bps کی کمی کی گئی۔ مختلف ادوار میں ثانوی مارکیٹ کے شرح منافع میں اپنے عروج سے تیزی سے کمی واقع ہوئی ہے، جو اگلے سال میں سرمایہ کاروں کی شرح سود میں نمایاں کمی کی امید کی عکاسی کرتی ہے۔ لسٹڈ کارپوریٹ سٹاکس نے یکساں طور پر مستحکم منافع کے اعلانات کے ساتھ متاثر کن نتائج کا اعلان جاری رکھا۔ ایک اہم پیش رفت میں، سب سے بڑی ٹیکنیوں میں سے ایک نے اپنے حصص کو موجودہ قیمت سے کم از کم 7 گنا زیادہ قیمت کے ساتھ اسٹاک ایکسچینج سے خارج کر دیا، جس سے سرمایہ کاروں کو نمایاں لیکویڈیٹی سوچنی گئی اور مارکیٹ میں زبردست دلچسپی پیدا ہوئی۔

سیکٹر اور کارکردگی کے لحاظ سے آٹو اسمبلرز، آٹو پارٹس اینڈ ایسیریز، کیمیکل اینڈ الیکٹریکل اشیا، کمرشل بینکنگ، انجینئرنگ، فریلاڈرز، لیڈر اینڈ ڈیزیز، فارماسیوٹیکل، پاور جنریشن اینڈ ڈسٹری بیوشن، ریٹائٹری اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب سینٹ، کیمیکلز، فوڈ اینڈ پراسسنگ، گلاس اینڈ سٹیل، انشورنس، انویسٹمنٹ بینک/کمپنیاں، متفرق، تیل و گیس ایکسپلوریشن، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پیپر اینڈ بورڈ، شوگر اینڈ الیٹیز، مینیکنا لوجی اینڈ کمیونیکیشن اور نیٹ ورکسٹائل کمپوزٹ سیکٹر نے مارکیٹ سے اچھے کارکردگی کا مظاہرہ کیا۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، غیر ملکی، انشورنس اور کمپنیاں بالترتیب 141 ملین امریکی ڈالر، 126 ملین امریکی ڈالر اور 36 ملین امریکی ڈالر کی آمد کے ساتھ سب سے بڑے خالص خریدار رہے۔ اس کے برعکس پیٹیکول/DFIs اور افراد نے اپنی خالص ہولڈنگز کو بالترتیب 141 ملین امریکی ڈالر اور 60 ملین امریکی ڈالر تک کم کر دیا۔

مالی سال 24 میں اسٹیٹ بینک کی مانیٹری پالیسی کمیٹی (ایم پی سی) کے 18 اجلاس منعقد ہوئے، چوتھی سہ ماہی میں پالیسی شرح 150 پیسے پوائنٹس کم کر کے 20.50 فیصد کر دی گئی۔ یہ فیصلہ بہتر میکرو اکنامک اشاروں کے باعث کیا گیا، جس کا مقصد افراط زر پر قابو پانا اور اس کے نقطہ نظر کو بہتر بنانا تھا۔ ایم پی سی نے افراط زر میں نمایاں کمی، کرنٹ اکاؤنٹ خسارے میں کمی اور زرمبادلہ کے مضبوط ذخائر درج کئے۔ تاہم، انہوں نے متنبہ کیا کہ مقامی اور بیرونی شاکس، بنیادی اثرات، اور عالمی اجناس کی قیمتوں میں اتار چڑھاؤ کی وجہ سے قیمتوں میں عدم استحکام لاسکتے ہیں۔ حالیہ بجٹ اقدامات اور پوٹینٹی ٹیرف میں مسلسل اضافے سے بھی افراط زر کا نقطہ نظر خطرے میں ہے، جس سے افراط زر کی متوقع کمی سست ہو سکتی ہے۔

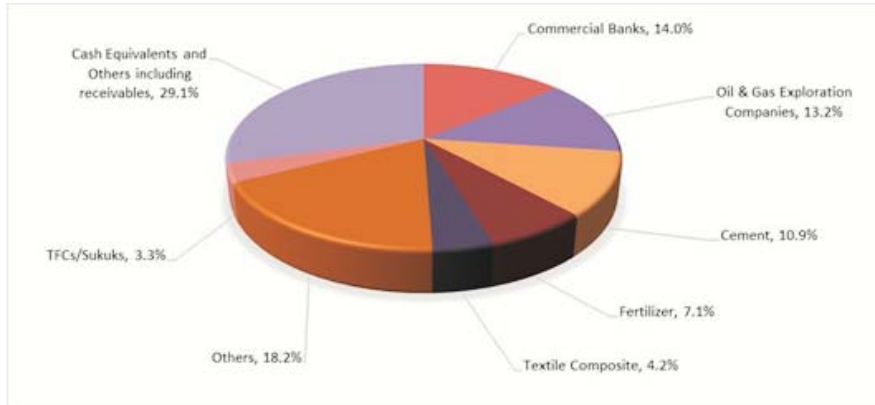
ثابت بات یہ ہے کہ کرنٹ اکاؤنٹ خسارے میں کمی، ایکسچینج کمپنیوں میں ابتدائی اصلاحات اور مارکیٹ کی غیر قانونی سرگرمیوں کے خلاف اقدامات سے ایف ایکس مارکیٹ کے جذبات اور لیکویڈیٹی میں بہتری آئی ہے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ توسیعی فنڈ سہولت (ای ایف ایف) پروگرام کے حوالے سے کامیاب مذاکرات نے اضافی کثیر الجہتی اور مدد فرہ آمد، زرمبادلہ کے ذخائر کو مضبوط بنانے اور قریب مدتی بیرونی فنڈنگ کی ضروریات کو پورا کرنے کی راہ بھی ہموار کی ہے کیونکہ بنیادی افراط زر بتدریج کم ہو رہا ہے۔ جون 2024ء تک اسٹیٹ بینک آف پاکستان کے خالص لیکویڈیٹی زرمبادلہ کے ذخائر 9.4 رب ڈالر تھے۔

ان پالیسی اقدامات کے جواب میں، سوریجن شرح منافع میں کمی واقع ہوئی، مارکیٹ کے شرکاء نے درمیانی سے طویل مدتی سیکورٹیز میں زیادہ دلچسپی ظاہر کی۔ اسٹیٹ بینک نے چھبیس (26) ٹی بل نیلامیاں منعقد کیں، جس میں 21.9 ٹریلین روپے کی میچورٹی کے ساتھ، 21.1 ٹریلین روپے کے ہدف کے مقابلے میں 21.7 ٹریلین روپے حاصل ہوئے۔ 3 ماہ، 6 ماہ اور 12 ماہ کی مدت کے لئے ٹی بل کے شرح منافع میں بالترتیب 2.68 فیصد، 2.96 فیصد اور 4.25 فیصد کمی واقع ہوئی۔

مالی سال کے دوران، NBP ہیلنڈ فنڈ میں 63.8% بیچ مارک اضافہ کے بخلاف 52.3% تک اضافہ ہوا جس کے نتیجے میں سال کے دوران 11.5% کی بہتر کارکردگی ظاہر کی۔ NBF نے سال کے دوران بہتر کارکردگی کا مظاہرہ کیا کیونکہ فنڈ نے آٹوموبائل پارٹس اینڈ ایکسیسریز، کمرشل بینکس، فریڈیلانڈ، پاور جنریشن اینڈ ڈسٹری بیوشن اور ریفرنسری کے شعبے جنہوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا کے اہم اسٹاک کو کم اہمیت دی اور سینٹ، گلاس اینڈ سیراکس، جیکنا لوجی اینڈ کمپلیکیشن اور ٹیکسٹائل کمپوزٹ کے شعبوں میں اہم اسٹاکس میں زیادہ اہمیت دی جنہوں نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا۔ اپنے آغاز (19 جنوری 2007) سے، فنڈ میں 493.6 فیصد بیچ مارک ریٹرن کے مقابلے میں 719.7 فیصد اضافہ ہوا ہے، چنانچہ آج تک بہتر کارکردگی 226.1 فیصد ہے۔ یہ بہتر کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا ساؤز 30 جون 2024 کو 973 ملین روپے ہے۔

NBP ہیلنڈ فنڈ کو سال کے دوران 383.84 ملین روپے کی کل آمدنی ہوئی ہے۔ 44.31 ملین روپے کے اخراجات منہا کرنے کے بعد، خالص آمدنی 339.53 ملین روپے ہے۔ سال کے دوران، NBP ہیلنڈ فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 16.1401 (Ex-Div) روپے سے بڑھ کر 30 جون 2024 کو 24.589 روپے ہو گئی۔ نتیجتاً یونٹ منافع 8.4489 روپے (52.3%) ہے۔

30 جون 2024 کے مطابق NBP ہیلنڈ فنڈ کی ایٹ ایلوکیشن حسب ذیل ہے:



آمدنی کی تقسیم

ہیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 16.884 (بنیادی قیمت کا 30.66 فیصد عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

کیونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران کمائی گئی آمدنی کے 90 فیصد سے زیادہ ہے، جو کہ مجموعی نقصانات اور کیپٹل گین سے کم ہوتا ہے، چاہے وہ حقیقی ہو یا غیر حقیقی، فنڈ انکم ٹیکس آرڈیننس، 2001 کے دوسرے شیڈول کے حصہ 1 کی شق 99 کے تحت ٹیکس کے تابع نہیں آتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز گرانٹ تھارنٹن انجمن رحمان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کے عہدہ سے مستعفی ہو گئے ہیں اور بورڈ آف ڈائریکٹرز نے اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2025 کے لیے تقرر کیا گیا ہے۔

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 ("CCG") کی پیرودی میں ڈائریکٹرز اسٹیٹمنٹ

- ہیجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- 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۔ شہریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
- 5 انٹرنل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 6 فنڈ کی 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 ٹیبیل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران بینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کی گئی ہے۔
- 11 یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 24 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 21 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 2024 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں

نام	کمیٹی
جناب خالد منصور جناب سعد امان اللہ خان جناب روہیل محمد	•1 •2 •3
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	
شیخ محمد عبدالواحد سیٹھی (چیئر مین) جناب توقیر مظہر محترمہ مہناز سالار جناب علی سیگل جناب عمران ظفر	•1 •2 •3 •4 •5

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے بینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج 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 آرٹسٹری 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 بینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2024ء

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 Balanced 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, 2024 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.

For the attention of unit holders, during an onsite inspection of the Management Company, the Securities and Exchange Commission of Pakistan (SECP) identified certain matters related to the charging and allocation of selling and marketing expenses to the Fund. Accordingly, the Management Company, following the guidance and interpretation provided by the SECP, will compensate to the entitled unit holders.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, October 30, 2024

FUND MANAGER REPORT

NBP Balanced Fund

NBP Balanced Fund (NBF) is an Open-ended Balanced Fund.

Investment Objective of the Fund

Objective of NBF is to provide investors with a combination of capital growth and income. NBF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.

Benchmark

Daily weighted return of KSE-30 Total Return Index & 6-month KIBOR based on Fund's actual allocation, effective from September 01, 2016. Previously 50% KSE-30 Total Return Index & 50% 3-Month KIBOR.

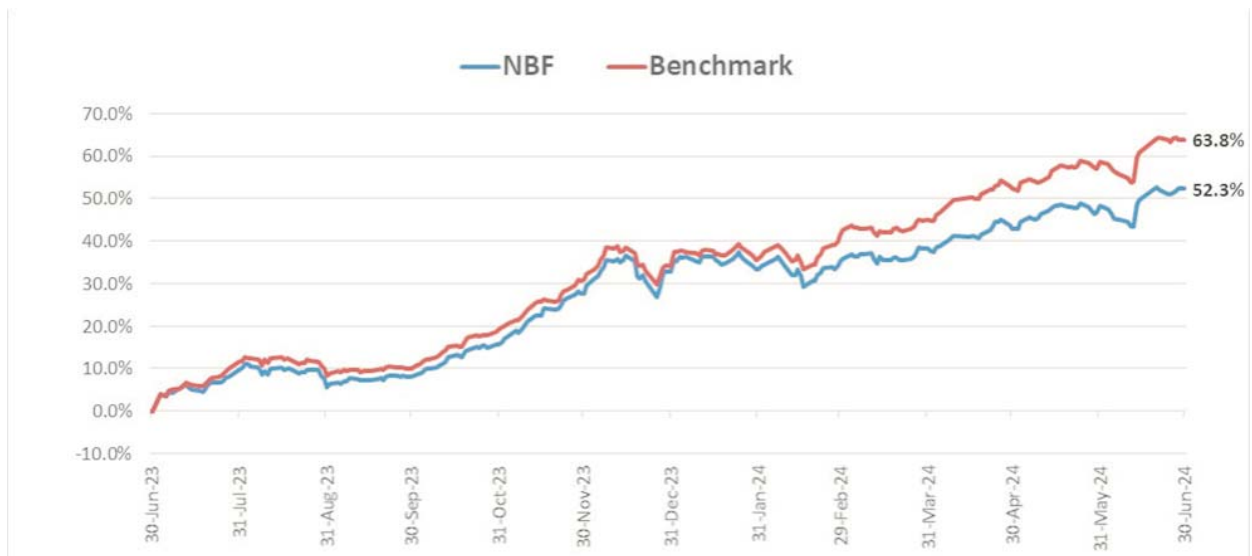
Fund Performance Review

This is the Eighteenth annual report of the Fund. During the fiscal year, NBP Balanced Fund increased by 52.3% versus the Benchmark increased by 63.8% translating into an underperformance of 11.5% during the year. Since its launch (January 19, 2007), the Fund has risen by 719.7%, versus the benchmark return of 493.6%, thus to date out-performance is 226.1%. This outperformance is net of management fee and all other expenses. The Fund size is 973 mln as of June 30, 2024.

NBF underperformance during the year was because the Fund was underweight in key stocks in Automobile Parts & Accessories, Commercial Banks, Fertilizer, Power Generation & Distribution and Refinery sectors that outperformed the market and was overweight in key stocks in Cement, Glass & Ceramics, Technology & Communication and Textile Composite, sectors that underperformed the market.

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

NBF Performance vs. Benchmark during FY24



At the start of the year, NBF was around 59.8% invested in equities. During the year, we altered the allocation of the Fund based on the expected performance of different asset classes. Towards the end of the year, the allocation in equities was around 67.6%.

FY24 was a stellar year for the stock market, as the benchmark KSE-100 index achieved new highs, settling slightly above 78,000 points at period end. During the year, the benchmark Index surged by around 37,000 points, translating into a phenomenal return of 89% in PKR terms and 94% in USD terms, making Pakistan the best performing stock market in the world.

The equities started off on a firm footing and the strong momentum continued throughout the year. The signing of the Staff Level Agreement (SLA) with IMF on June 29th, 2023 was the turning point for stock market. The IMF executive board approved USD 3 billion Stand-By Agreement (SBA) that paved way for other multi-lateral loans and inflows from friendly countries. The multiple loan tranches from IMF and deposits from KSA & UAE augmented the FX reserves, averted a possible balance of payment (BoP) crisis, and helped restore investors' confidence. Fitch also upgraded Pakistan's Long-Term Foreign Currency Issuer Rating. In tandem with SLA, Pakistan's dollar bonds rallied in the international market as bond prices across various tenures surged in the range of 66-93% during the period, reflecting increasing investors' optimism of improving external position. Multilateral inflows, particularly from ADB and World Bank, also gained momentum. Consequently, the SBP's FX reserves improved from USD 4.4 billion to USD 9.4 billion at period end. The improving reserves, coupled with a crackdown against illicit currency trade in the open market brought calm in currency market. Owing to prudent policies, the economy also showed signs of stabilization. The general elections, though remained marred by accusations of irregularities, were carried out smoothly in February and helped bring down the political uncertainty. The provisional GDP growth for FY24 improved to 2.38% from 0.21% contraction a year ago, driven by robust agricultural growth. Continuing the improving trend on the external side, the current account deficit (CAD) further dropped to USD 665 mn, compared to USD 3.3 bn in the previous year. Average inflation remained elevated during 1H, however, it precipitated considerably in the latter half, averaging 23.4% for FY24. The waning inflation prompted the Monetary Policy Committee (MPC) to gradually start with an easing cycle, with 150 bps cut taking place towards the end of FY24. Secondary market yields across various tenures fell sharply from their peak, reflecting investors' optimism of significant rate cuts in the next year. The listed corporate space continued to declare impressive results with equally robust dividend announcements. In a significant development, one of the largest auto players delisted its shares from the bourse with the delisting price at least 7x higher than the prevailing price, handing over significant liquidity to investors and igniting strong interest in the market.

In terms of sector-wise performance, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Commercial Banks, Engineering, Fertilizer, Leather & Tanneries, Pharmaceutical, Power Generation & Distribution, Refinery, and Transport sectors outperformed the market. On the other hand, Cement, Chemicals, Food & Personal Care, Glass & Ceramics, Insurance, Investment Banks/Companies, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing Companies, Paper & Board, Sugar & Allied, Technology & Communication, and Textile Composite sectors lagged behind the market. Regarding participants' market activity, Foreigners, Insurance and Companies emerged as the largest net buyers with inflows of around USD 141 million, USD 126 million, and USD 36 million, respectively. Conversely, Banks/DFIs and Individuals reduced their net holdings by around USD 141 million and USD 60 million, respectively.

In FY24, the State Bank's Monetary Policy Committee (MPC) held eight meetings, reducing the policy rate by 150 basis points in the fourth quarter to 20.50%. This decision was supported by improving macroeconomic indicators, thanks to measures aimed at curbing inflation and improving its outlook. The MPC noted a significant drop in inflation, a reduced current account deficit, and stronger foreign exchange (FX) reserves. However, they cautioned that risks to price stability remain due to domestic and external shocks, the base effect, and global commodity price fluctuations. The inflation outlook is also threatened by recent budgetary measures and frequent hikes in utility tariffs, which could slow the decline in inflation expectations.

On a positive note, the narrower current account deficit, early reforms in exchange companies, and actions against illicit market activities have improved FX market sentiment and liquidity. Successful negotiations with the International Monetary Fund (IMF) regarding an Extended Fund Facility (EFF) program have also paved the way for additional multilateral and bilateral inflows, strengthening FX reserves and meeting near-term external financing needs as core inflation gradually cools. By June 2024, the State Bank of Pakistan's net liquid foreign exchange reserves stood at USD 9.4 billion.

In response to these policy measures, sovereign yields declined, with market participants showing greater interest in medium to long-term securities. The State Bank conducted twenty-six (26) T-Bill auctions, raising Rs. 21.7 trillion against a target of Rs. 21.1 trillion, with a maturity of Rs. 21.9 trillion. T-Bill yields decreased by 2.68%, 2.96%, and 4.25% for 3-month, 6-month, and 12-month tenures, respectively.

During the period under question:

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

Asset Allocation of the Fund (% of NAV)

Particulars	30-Jun-24	30-Jun-23
Equities / Stocks	67.6%	59.8%
TFCs / Sukuks	3.3%	9.7%
Cash Equivalents	30.9%	11.2%
T-Bills	-	22.2%
Other Net Liabilities	(1.8%)	(2.9%)
Total	100.0%	100.0%

Distribution for the Financial Year 2024

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex-Div. Price
Interim	30.66%	27.5716	24.5056

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	49
1-1000	137
1001-5000	79
5001-10000	11
10001-50000	39
50001-100000	4
100001-500000	12
1000001-5000000	1
10000001 -100000000	1
Total	333

Details of Non-Compliant Investments

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held	Value of investment after provision	% of Net Assets	% of Gross Assets
Shakarganj Foods	Sukuk	13,500,000	8,254,413	5,245,587	0.5	0.5
Saudi Pak Leasing Company Limited	TFC	27,547,410	27,547,410	-	-	-
Eden House Limited - Sukuk	Sukuk	9,843,750	9,843,750	-	-	-
New Allied Electronics Limited 1	Sukuk	10,000,000	10,000,000	-	-	-

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the unit holders of NBP Balanced Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NBP Balanced Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movements in unit holder's fund, cash flow statement for the year then ended, and notes to the financial statements, including a material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and the Management Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA 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:

Key Audit Matter	How the matter was addressed in our audit
<p>Investments (refer note 7 to the financial statements)</p>	
<p>Investments constitute the most significant component of the net asset value (NAV). Investments of the Fund as at June 30, 2024 amounted to Rs. 689.053 million (2023: Rs. 610.615 million).</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> obtained understanding of relevant controls placed by the Management Company applicable to the account balance; verified existence of investments from Central Depository Company (CDC) account statement other relevant documents; performed test of details on sale, purchase and maturity of investments on a sample basis; and tested valuation of investments.

Information Other than the Financial Statements and Auditor's Report Thereon

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 or 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 (the Board) for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved 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, the 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 the management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board 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 the management;
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;

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

We communicate with the Board 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 to the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board, 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 report that in our opinion the Fund's financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Other matter

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb**.

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi

Date October 30, 2024

UDIN: AR202410126Zc0s7dlr8

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2024

	Note	2024 -----Rupees in 000-----	2023
ASSETS			
Bank balances	6	300,810	74,322
Investments	7	689,053	610,615
Dividend and profit receivable	8	4,888	2,525
Advances, deposits and prepayments	9	3,921	3,898
Total assets		998,672	691,360
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	10	8,094	4,318
Payable to Central Depository Company of Pakistan Limited - Trustee	11	176	124
Payable to Securities and Exchange Commission of Pakistan	12	66	152
Payable against purchase of investment		-	5,584
Accrued expenses and other liabilities	13	17,788	15,388
Total liabilities		26,124	25,566
NET ASSETS		972,548	665,794
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		972,548	665,795
Contingencies and commitments	14		
		(Number of units)	
NUMBER OF UNITS IN ISSUE	15	39,552,225	36,663,750
		(Rupees)	
Net assets value per unit		24.5890	18.1595

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

INCOME	Note	2024 -----Rupees in 000-----	2023
Income from term finance certificate and sukuks		10,590	13,599
Discount income on commercial paper		-	900
Discount income on treasury bills		19,119	28,011
Profit on bank deposits		43,698	9,545
Dividend income		43,914	38,036
Gain / (loss) on sale of investments at fair value through profit or loss (FVTPL) - net		35,222	(2,366)
Net unrealised appreciation / (diminution) on re-measurement of investments at FVTPL	7.1.3 & 7.7	231,302	(30,869)
Total income		383,845	56,856
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company	10.1	20,692	19,046
Sindh Sales Tax on remuneration to Management Company	10.2	2,690	2,476
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	1,655	1,524
Sindh sales tax on remuneration to trustee	11.2	215	198
Reimbursement of selling and marketing expenses	10.3	9,623	9,904
Reimbursement of allocated expenses	10.4	1,637	1,524
Annual fee - Securities and Exchange Commission of Pakistan	12	704	152
Securities transaction costs		529	456
Auditors' remuneration	16	862	860
Settlement and bank charges		351	494
Mutual fund rating fee		338	316
Legal and professional charges		168	150
Printing and other charges		45	45
Annual listing fee		30	28
Impairment loss	7.4.3	4,774	3,480
Total expenses		44,313	40,652
Net income for the year before taxation		339,532	16,204
Taxation	17	-	-
Net income for the year after taxation		339,532	16,204
Allocation of net income for the year			
Net income for the year after taxation		339,532	16,204
Income already paid on units redeemed		(5,356)	(273)
		334,176	15,931
Accounting income available for distribution:			
Relating to capital gains		-	-
Excluding capital gains		334,176	15,931
		334,176	15,931

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	-----Rupees in 000-----	
Net income for the year after taxation	339,532	16,204
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>339,532</u></u>	<u><u>16,204</u></u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	-----Rupees in 000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	339,532	16,204
Adjustments:		
Net unrealised (appreciation) / diminution on re-measurement of investments at FVTPL	(231,302)	30,869
	<u>108,230</u>	<u>47,073</u>
Decrease/(increase) in assets		
Investments	5,034	163,579
Dividend and profit receivable	(2,363)	2,666
Advances, deposits and prepayments	(23)	(6)
Receivable against sale of investment	-	-
	<u>2,648</u>	<u>166,239</u>
Increase / (Decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	3,776	(925)
Payable to Central Depository Company of Pakistan Limited - Trustee	52	(32)
Payable to Securities and Exchange Commission of Pakistan	(86)	(86)
Payable against purchase of investment	(5,584)	209
Accrued expenses and other liabilities	2,400	1,121
	<u>558</u>	<u>287</u>
Net cash generated from operating activities	<u>111,436</u>	<u>213,599</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units - net of refund of element	114,121	26,825
Net payments against redemption of units	(38,651)	(180,067)
Dividend paid	(108,248)	(15,997)
Net cash used in financing activities	<u>(32,778)</u>	<u>(169,239)</u>
Net increase in cash and cash equivalents	<u>78,658</u>	<u>44,360</u>
Cash and cash equivalents at beginning of the year	222,152	177,792
Cash and cash equivalents at end of the year	<u>300,810</u>	<u>222,152</u>

6

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The NBP Balanced Fund 'the Fund' was established under a Trust Deed executed between the NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on 06 December 2006 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on 01 December 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).
- 1.2 The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of Mutual Fund Association of Pakistan (MUFAP).
- 1.3 The Fund is an open-ended mutual fund classified as a "balanced scheme" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. 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 core objective of the Fund is to provide its investors with a combination of capital growth and income. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments e.t.c.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an asset manager rating of 'AM1' to the Management Company as on 14 February, 2024 a short term performance ranking of 3 star and long term performance ranking of 4 star to the fund.
- 1.6 Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as trustee of the Fund.
- 1.7 During the year ended June 30,2021 the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS 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 and the requirements VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of Trust Deed.

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

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2024. The Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

3.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for investments which are stated at fair value.

3.3 Functional and presentation currency

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

3.4 Accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

	Notes
(a) classification and valuation of financial instrument	5.2.2
(b) impairment of financial instrument	5.2.3
(c) provisions	5.6

3.5 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 recognized 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 judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

3.6 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values. All the transactions have been accounted for an accrual basis except for the statement for cash flows.

4 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT YEAR

The following amendments and interpretations to published accounting and reporting standards that are applicable to the Fund's financial statements covering annual periods, beginning on or after the following dates:

4.1 Amendments and interpretations to accounting and reporting standards that became effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

4.2 Standards and amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Fund

There were certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on July 1, 2024 but does not have any significant impact on the Fund's financial reporting and therefore, have not been disclosed in these financial statements.

However, these are not expected to have any significant effects of fund's operations and are, therefore, not detailed in these financial statements.

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Company's financial statements in the period of initial application.

5 MATERIAL ACCOUNTING POLICIES INFORMATION

5.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

5.2 Financial instruments

The Fund applied IFRS 9 except for impairment requirements for which the Fund has continued to follow the requirements of SECP circular No. 33 of 2012 dated October 24, 2012.

5.2.1 Recognition and initial measurement

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

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

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

5.2.2 Classification and measurement

5.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost (“AC”);
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVTPL”).

Financial asset at amortised cost

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

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

Financial asset at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

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

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

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

5.2.2.2 Financial Liabilities

The Fund classifies its financial liabilities in the following categories:

- Measured at amortized cost (AC) ; or
- Measured at Fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

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

The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

5.2.2.3 Assessment of whether contractual cash flows are solely payments of principal and interest

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

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

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

5.2.3 Impairment of asset loss

The SECP has, through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017, deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

5.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of instruments (other than debt and government securities) at amortised cost:

Subsequent to initial recognition, financial assets classified as amortised cost are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

5.2.5 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - 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.

5.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial assets is taken to the Income Statement.

5.2.7 Offsetting of financial assets and liabilities

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

5.2.8 Impairment of non financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed through the Income Statement.

5.3 Net assets value per unit

The net asset value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

5.4 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load if applicable, is payable to the investment facilitators and the Management Company/distributors.

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

5.5 Element of Income / (Loss)

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

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP.

Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

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

5.6 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.

5.7 Income recognition

- Realised gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as "financial assets at fair value through profit or loss" are included in the income statement in the period in which they arise.
- Discount on purchase of Market Treasury Bills is amortised to income statement using the straight line method.
- Profit on bank deposits, term deposit receipts, mark-up / return on investments in debt securities and income from government securities is recognised using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the date of book closure of the investee company / institution declaring the dividend.

5.8 Taxation

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

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

5.9 Distributions to the unit holders

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

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

5.10 Expenses

All expenses including remuneration of the Fund Manager, Trustee and annual fee to the Securities and Exchange Commission of Pakistan fee are recognized in the Income Statement on an accrual basis.

5.11 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

5.12 Earnings / (Loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average number of outstanding units for calculating EPU is not practicable.

6	BANK BALANCES	Note	2024	2023
			----Rupees in 000----	
	Current Accounts		169	169
	Saving Accounts	6.1	300,641	74,153
			<u>300,810</u>	<u>74,322</u>

6.1 These carry a rate of return ranging from 18.50% to 22.75% (2023: 10% to 22.60%) per annum.

6.2	Cash and cash equivalents	Note	2024	2023
			----Rupees in 000----	
	Current accounts		169	169
	Savings accounts		300,641	74,153
	Treasury bills	7.6	-	147,830
			<u>300,810</u>	<u>222,152</u>

7 INVESTMENTS

Investments by category

Financial asset 'at fair value through profit or loss'

- Listed equity securities	7.1	657,330	398,121
- Term finance certificates - listed	7.2	-	-
- Term finance certificates - unlisted	7.3	19,813	30,294
- Sukuk bonds	7.4	11,827	34,370
- Ijara Sukuk bonds	7.5	83	-
- Treasury Bills	7.6	-	147,830
		<u>689,053</u>	<u>610,615</u>

7.1

Name of the investee company	Number of shares						Market value as at 30 June 2024	Market value as a percentage of net assets	Market value as a percentage of investments	Percentage of paid-up capital of the investee company held		
	As at 1 July 2023	Purchases during the period	Bonus/Right shares received during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 June 2024						
							(Rupees in '000)		(%)			
Oil & Gas Exploration Companies												
Oil & Gas Development Company Limited	251,086	47,700	-	-	63,415	235,371	31,862	3.28%	4.62%	0.005%		
Pakistan Oilfields Limited	10,093	-	-	-	-	10,093	4,945	0.51%	0.72%	0.004%		
Pakistan Petroleum Limited	315,690	107,100	-	-	107,900	314,890	36,877	3.79%	5.35%	0.012%		
Mari Petroleum Company Limited	15,405	5,000	-	-	280	20,125	54,585	5.61%	7.92%	0.015%		
							13.19%		18.62%			
							128,269					
Oil & Gas Marketing Companies												
Pakistan State Oil Company Limited	54,879	-	-	-	9,600	45,279	7,526	0.77%	1.09%	0.010%		
Hascol Petroleum Limited	777	-	-	-	-	777	5	0.00%	0.00%	0.000%		
Attock Petroleum Limited	1	-	-	-	-	1	1	0.00%	0.00%	0.000%		
							7.531		0.77%		1.09%	
Fertilizers												
Engro Fertilizers Limited	1	6,100	-	-	-	6,101	1,014	0.10%	0.15%	0.000%		
Fauji Fertilizer Bin Qasim Limited	171,500	-	-	-	64,000	107,500	3,813	0.39%	0.55%	0.008%		
Engro Corporation Limited	60,819	300	-	-	15,700	45,419	15,111	1.55%	2.19%	0.008%		
Fatima Fertilizer Company Limited	-	111,000	-	-	-	111,000	5,730	0.59%	0.83%	0.005%		
Fauji Fertilizers Company Limited	220,201	50,800	-	-	2,700	268,301	43,835	4.51%	6.36%	0.021%		
							69,503		7.15%		10.09%	
Chemicals												
Engro Polymer & Chemicals Limited	91,473	-	-	-	91,473	-	-	0.00%	0.00%	0.000%		
							-		0.00%		0.00%	
Cement												
Fauji Cement Company Limited	1	-	-	-	-	1	0	0.00%	0.00%	0.000%		
Kohat Cement Company Limited	272,169	38,003	-	-	31,700	278,472	69,738	7.17%	10.12%	0.139%		
Attock Cement Pakistan Limited	142,800	-	-	-	17,000	125,800	12,220	1.26%	1.77%	0.092%		
Lucky Cement Limited	22,507	13,200	-	-	8,850	26,857	24,352	2.50%	3.53%	0.009%		
							106,310		10.93%		15.43%	
Automobile Parts & Accessories												
Thal Limited	11	-	-	-	-	11	5	0.00%	0.00%	0.000%		
Panther Tyres Limited	35,700	-	-	-	18,000	17,700	670	0.07%	0.10%	0.011%		
							675		0.07%		0.10%	
Textile Composite												
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	-	807,000	5,649	0.58%	0.82%	0.166%		
Gul Ahmed Textile Mills Limited	247,632	-	-	-	23,500	224,132	4,729	0.49%	0.69%	0.030%		
Kohinoor Textile Mills Limited	499,613	57,045	-	-	314,000	242,658	20,131	2.07%	2.92%	0.081%		
Crescent Textile Mills Limited	148,000	-	-	-	-	148,000	1,977	0.20%	0.29%	0.148%		
Interloop Limited	2	-	-	-	-	2	-	0.00%	0.00%	0.000%		
Nishat Mills Limited	116,500	25,700	-	-	28,000	114,200	8,091	0.83%	1.17%	0.032%		
							40,578		4.17%		5.89%	
Technology & Communication												
Avaceon Limited	111	-	-	-	111	-	-	0.00%	0.00%	0.000%		
Systems Limited	58,019	10,900	-	-	2,400	66,519	27,825	2.86%	4.04%	0.023%		
							27,825		2.861%		4.04%	
Engineering & Electronics												
International Industries Limited	200	-	-	-	200	-	-	0.00%	0.00%	0.000%		
Mughal Iron & Steel Industries	332,488	40,500	-	-	119,172	253,816	23,605	2.43%	3.43%	0.076%		
Aisha Steels Limited	230,500	-	-	-	-	230,500	1,696	0.17%	0.25%	0.025%		
Pak Electron Limited	303,880	-	-	-	50,000	253,880	6,273	0.65%	0.91%	0.030%		
							31,575		3.25%		4.58%	
Power Generation & Distribution												
Lalpir Power Limited	212,000	-	-	-	94,500	117,500	2,987	0.31%	0.43%	0.031%		
The Hub Power Company Limited	130,715	5,500	-	-	23,300	112,915	18,414	1.89%	2.67%	0.009%		
							21,401		2.20%		3.11%	

NBP BALANCED FUND

Name of the investee company	Number of shares						Market value as at 30 June 2024	Market value as a percentage of net assets	Market value as a percentage of investments	Percentage of paid-up capital of the investee company held
	As at 1 July 2023	Purchases during the period	Bonus/Right shares received during the period	Right shares purchased/subscribed during the period	Sales during the period	As at 30 June 2024				
(Number of Shares)						(Rupees in '000)		(%)		
Commercial Banks										
Bank Al-falah Limited	758,301	69,500	-	-	366,500	461,301	31,378	3.23%	4.55%	0.029%
Bank Al-Habib Limited	320,200	16,000	-	-	103,300	232,900	26,127	2.69%	3.79%	0.021%
Bank of Punjab	1	-	-	-	-	1	-	0.00%	0.00%	0.000%
Faysal Bank Limited	104,838	134,500	-	-	29,000	210,338	11,030	1.13%	1.60%	0.014%
Habib Bank Limited	198,680	117,400	-	-	93,900	222,180	27,557	2.83%	4.00%	0.015%
MCB Bank Limited	28,500	44,450	-	-	8,100	64,850	14,722	1.51%	2.14%	0.005%
Meezan Bank Limited	4,717	35,700	-	-	1,300	39,117	9,364	0.96%	1.36%	0.002%
United Bank Limited	132,791	-	-	-	116,499	16,292	4,175	0.43%	0.61%	0.001%
Askari Bank Limited	7,475	780,000	-	-	276,000	511,475	11,524	1.18%	1.67%	0.035%
							135,876	13.97%	19.72%	
Glass and Ceramics										
Tariq Glass Industries Limited	99,540	13,000	-	-	36,400	76,140	8,874	0.91%	1.29%	0.044%
Shabbir Tiles & Ceramics Limited	837,000	407,500	-	-	85,500	1,159,000	16,806	1.73%	2.44%	0.484%
							25,680	2.64%	3.73%	
Paper & Board										
Roshan Packages Limited	-	340,000	-	-	254,000	86,000	1,213	0.12%	0.18%	0.061%
							1,213	0.12%	0.18%	
Food and Personal Care Products										
Shezan International Limited	6,930	64,000	-	-	6,500	64,430	6,019	0.62%	0.87%	0.667%
							6,019	0.62%	0.87%	
Automobile Assemblers and Accessories										
Millat Tractors Limited	4	-	-	-	-	4	3	0.00%	0.00%	0.000%
							3	0.00%	0.00%	
Pharma And Biotech										
AGP Limited	36,500	26,000	-	-	7,400	55,100	5,090	0.52%	0.74%	0.020%
Highnoon Laboratories Limited	13,185	-	-	-	1,300	11,885	8,482	0.87%	1.23%	0.022%
Citi Pharma Limited	40,099	-	-	-	12,000	28,099	801	0.08%	0.12%	0.012%
The Searle Company Limited	23,895	15,500	-	-	19,300	20,095	1,803	0.19%	0.26%	0.005%
Haleon Pakistan Limited (GlaxoSmithKline Consumer HealthCare)	-	8,600	-	-	-	8,600	2,557	0.26%	0.37%	0.007%
Abbott Laboratories	100	-	-	-	100	-	-	0.00%	0.00%	0.000%
Ferozsons Laboratories Limited	-	400	-	-	-	400	100	0.01%	0.01%	0.001%
IBL Healthcare Limited	40,056	-	2,711	-	40,056	2,711	84	0.01%	0.01%	0.004%
							18,916	1.95%	2.75%	
Footwear										
Service Industries Limited	2,300	-	-	-	-	2,300	2,187	0.22%	0.32%	0.005%
							2,187	0.22%	0.32%	
Transportation and Warehouse										
Pakistan National Shipping Corporation	104,000	19,200	-	-	19,900	103,300	31,301	3.22%	4.54%	0.078%
Pakistan International Bulk Terminal Limited	63,500	1,500	-	-	3,000	62,000	383	0.04%	0.06%	0.003%
							31,683	3.26%	4.60%	
Miscellaneous										
Pakistan Hotels Developers Limited	-	3,500	-	-	-	3,500	2,086	0.21%	0.30%	0.019%
							2,086	0.21%	0.30%	
Total - 30 June 2024	7,574,384	2,615,598	2,711	-	2,565,856	7,626,838	657,330	68%	95%	
Total - 30 June 2023	9,539,795	1,230,717	147,749	-	3,343,877	7,574,384	398,121	60%	65%	

7.1.1 Investments include shares with market value of Rs. 95.974 million (30 June 2023: Rs. 63.183 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no.11 dated 23 October 2007 issued by the SECP.

Name of Investee Company	2024		2023	
	Shares Pledged	Market Value	Shares Pledged	Market Value
	--Rupees in '000'--		--Rupees in '000'--	
Aisha Steel Mills Limited	25,000	184	25,000	135
Attock Cement Pakistan Limited	10,000	971	10,000	829
Bank Alfalah Limited	100,000	6,802	100,000	3,044
Bank Al Habib Limited	190,000	21,314	190,000	8,212
Engro Polymer & Chemicals Limited	-	-	50,000	2,113
Fauji Fertilizer Bin Qasim Limited	10,000	355	10,000	118
Fauji Fertilizer Company Limited	25,000	4,085	25,000	2,461
Habib Bank Limited	20,000	2,481	20,000	1,465
Lucky Cement Limited	-	-	14,000	7,309
Mcb Bank Limited	10,000	2,270	10,000	1,145
Mughal Iron And Steel Industries Ltd	100,000	9,300	100,000	4,844
Nishat Mills Limited	50,000	3,543	50,000	2,839
Oil & Gas Development Company Limited	144,000	19,493	144,000	11,232
Pakistan Petroleum Limited	179,500	21,021	179,500	10,616
Pakistan State Oil Company Limited	25,000	4,155	35,000	3,885
United Bank Limited	-	-	25,000	2,939
	<u>890,524</u>	<u>95,974</u>	<u>989,523</u>	<u>63,183</u>

7.1.2 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case.

During the year ended 30 June 2018, the Honorable Supreme Court of Pakistan (HSC) passed a judgement on 27 June 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs did not deposit the minimum 50% of the tax liability, as they did not have such tax in their book and accordingly the stay got vacated automatically during the year ended 30 June 2019. After that, the CISs have filed a fresh constitutional petition via CP 4653 dated 11 July 2019. In this regard, on 15 July 2019, the Honorable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs.

Further, the Finance Act, 2018 effective from 1 July 2018 has omitted Section 236M of income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

Accordingly, the investee company(s) has withheld the shares equivalent to 5% of bonus announcement amounting to Rs. 2.01 million (30 June 2023: Rs. 0.98 million) and not yet deposited in CDC account of department of Income Tax. The details of the bonus shares withheld are as follows:

Name of the company	2024		2023	
	Number of shares withheld	Market value as at June 30, 2024	Number of shares withheld	Market value as at June 30, 2023
		Rupees in ----000----		Rupees in ----000----
Pakistan State Oil	1,142	190	1,142	127
Hascol	777	5	777	4
Faysal Bank Limited	27,327	1433	27,327	551
Kohinoor Textile Mills Limited	4,639	385	4,639	236
	<u>33,885</u>	<u>2,013</u>	<u>33,885</u>	<u>918</u>

7.1.3 Net unrealised appreciation / (diminution) on re-measurement of Equity investments classified as 'Financial assets at fair value through profit or loss'

	2024	2023
	----Rupees in 000----	
Investment at Market value	657,330	398,121
Investment at Carrying value	(426,279)	(424,569)
	<u>231,050</u>	<u>(26,448)</u>

7.2 Term finance certificates - listed - at fair value through profit or loss

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise

Name of the investee company	Number of certificates				As at 30 June 2024	As at 30 June 2024 Market value / Carrying value	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2023	Purchases during the year	Disposals during the year	As at 30 June 2024				
Saudi Pak Leasing Company Limited (note 7.2.1)	10,000	-	-	10,000	-	-	-	

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

7.2.1 This represents investment in term finance certificates with original term of nine years. On 13 October 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on 26 December 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since it was rescheduled and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as Non Performing Asset (NPA) since 30 April 2014. The amount of provision of Rs. 27.547 million as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

7.3 Term finance certificates - unlisted - at fair value through profit or loss

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise.

Name of the investee company	Number of certificates				Market value /carrying value as at 30 June 2024 (Rupees in '000)	Market value as a percentage of net assets (%)	Market value as a percentage of total investments
	As at 01 July 2023	Purchases during the year	Disposals/ Maturity during the year	As at 30 June 2024			
Jahangir Siddiqui and Company Limited	17,100	-	17,100	-	-	-	-
Soneri Bank Limited	-	200	-	200	19,813	2.04	3.24
	17,100	200	17,100	200	19,813		

7.3.1 Significant terms and conditions of term finance certificates and sukus outstanding at the year end are as follows:

	Number of certificates	Repayment Frequency	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Unsecured							
Listed term finance certificates							
Saudi Pak Leasing Company Limited	10,000	Monthly	2,755	6.87% Fixed rate	13-Mar-08	13-Mar-25	Unrated
Unlisted term finance certificates							
Soneri Bank Limited	200	Semi Annually	99,980	6 Month KIBOR offer rate plus 1.7%	26-Dec-22	26-Dec-32	A+

7.4 Sukuk bonds - unlisted - at fair value through profit or loss

All sukus have a face value of Rs. 5,000

Name of the investee company	Number of certificates				Market value /carrying value as at 30 June 2024 (Rupees in '000)	Market value as a percentage of net assets (%)	Market value as a percentage of total investments
	As at 01 July 2023	Purchases during the year	Disposals during the year	As at 30 June 2024			
Hub Power Company Limited	500	-	500	-	-	-	-
Mughal Iron & Steel Industries Limited	15	-	-	15	6,582	0.68	1.08
Shakarganj Food Products Limited (note 7.4.3)	30	-	-	30	5,246	0.54	0.86
New Allied Electronics Industries (Private) Limited (note 7.4.1)	32,000	-	-	32,000	-	-	-
Eden Housing Limited (note 7.4.2)	10,000	-	-	10,000	-	-	-
Total as at 30 June 2023	42,545	-	500	42,045	11,827	1.22	1.94

7.4.1 This represents investment in privately placed sukus with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since January 09, 2009. The amount of provision of Rs. 10 million as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

7.4.2 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer has defaulted its scheduled principal and profit payment and therefore it was classified as NPA by MUFAP. The amount of provision of Rs. 9.844 million as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

7.4.3 This represents investment in privately placed sukuks with a term of seven years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since May 02, 2023. The amount of provision of Rs. 8.25 million as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

7.4.4 The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

7.4.5 Significant terms and conditions of sukuks bonds outstanding at the year end are as follows:

Secured	Number of certificates	Repayment Frequency	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Unlisted sukuk							
New Allied Electronics Industries (Private) Limited	32,000	Quarterly	313	3 Month KIBOR offer rate plus 2.6%	27-Jul-07	25-Jul-16	Unrated
Eden Housing Limited	10,000	Quarterly	984	3 Month KIBOR offer rate plus 3%	31-Mar-08	29-Sep-16	Unrated

7.5 Ijara Sukuk

Name of the investee company	Number of certificates				Market value as at December 31, 2023	Investment as a percentage of	
	As at July 01, 2023	Purchases during the year	Disposals / matured during the year	As at December 31, 2023		Net assets	Market value of total investments
----- No of units -----							
GOPIS-01	-	20	2	18	Rupees '000'	83	0.009%
						83	0.0121%
						83	
Carrying value as at June 30, 2024						83	

7.5.1 Significant terms and conditions of ijara sukuk outstanding as at June 30, 2024 are as follows:

Name of security	Total face value	Face value (unredeemed)	Mark-up rate (per annum)	Issue Date	Maturity Date
----- Rupees '000' -----					
Government of Pakistan Ijara Sukuk - 01	90	5	19.52%	11-Dec-23	9-Dec-24
		90	5		

7.6 Treasury Bills - at fair value through profit or loss

Issue date	Tenor	As at July 01, 2023	Purchased during the year	Disposed/ matured during the year	As at June 30, 2024	Carrying amount as at June 30, 2024	Carrying amount as at June 30, 2023
----- Rupees in '000 -----							
May 04, 2023	3 Months	150,000	-	150,000	-	-	147,830
Total as at June 30, 2023		-	-	150,000	-	-	147,830

7.6.1 Treasury Bills- at fair value through profit or loss (FVTPL).

Issue date	Tenor	As at July 01, 2023	Purchased during the year	Disposed/ma tured during the year	As at June 30, 2024
-----Rupees in '000'-----					
4-May-23	3 Months	150,000	-	150,000	-
5-Oct-23	3 Months	-	150,000	150,000	-
19-Oct-23	12 Months	-	180,000	180,000	-
Total as at June 30, 2023		150,000	330,000	480,000	-

7.7 Net unrealised (diminution) / appreciation on re-measurement of Debt investments classified as 'Financial assets at fair value through profit or loss'

	Note	2024 ----Rupees in 000----	2023
Investment at Market value		31,723	64,664
Investment at Carrying value		(31,471)	(69,085)
		<u>252</u>	<u>(4,421)</u>

8 DIVIDEND AND PROFIT RECEIVABLE

Profit receivable on savings accounts		4,682	1,031
Dividend receivable		1	-
Accrued markup on term finance certificates and sukuks		5,330	9,957
Less: Income suspended over non-performing term finance certificates and sukuks		(5,125)	(8,463)
		<u>205</u>	<u>1,494</u>
		<u>4,888</u>	<u>2,525</u>

9 ADVANCES, DEPOSITS AND PREPAYMENTS

Advance tax	9.1	890	882
Security deposits with:			
- Central Depository Company of Pakistan Limited		100	100
- National Clearing Company of Pakistan Limited		2,750	2,750
Prepaid fee	9.2	181	166
		<u>3,921</u>	<u>3,898</u>

9.1 As per clause 47(B) of part IV of the Second Schedule to the income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on bank deposit and investment paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at the applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of inland Revenue (CIR) is not produced before him by the withholdor. The tax withheld on dividends and profit on bank deposits as at 30 June 2024 amounts to Rs. 0.89 million (2023: Rs. 0.882 million).

9.2 This represents the prepaid the credit rating fees to PACRA.

10 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY

	2024 ----Rupees in 000----	2023
Management Remuneration	1,950	1,371
Sindh Sales Tax on management remuneration	253	178
Sales and transfer load	122	15
Sindh Sales Tax on sales load	16	2
Reimbursement of selling and marketing expense	5,297	2,414
Reimbursement of Allocated expenses	448	337
ADC Share including Sindh Sales Tax	8	1
	<u>8,094</u>	<u>4,318</u>

10.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration as follows:

- From 1 May 2022 to 30 June 2024, at the rate of 2.5% of the average annual net assets of the Fund.

10.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2011. During the year, Sindh Sales Tax at the rate of 13% (30 June 2023: 13%) was charged on management remuneration and sales load.

10.3 As per Circular 11 of 2019 dated 5 July 2019 issued by SECP, the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised condition for charging of selling and marketing expense to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 5 of 2017 and circular No. 05 of 2018. These expense shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expense:

Effective Dates	Applicable Rates
From Feb 02, 2022 till Nov 07, 2023	1.3% per annum of average daily net assets
From Nov 08, 2023 till June 30, 2024	1.1% per annum of average daily net assets

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

The Management Company based on its discretion has charged accounting and operational charges under the following rates:

- From 26 July 2021 to 30 June 2024, at the rate of 0.20% of the average annual net assets of the Fund.

10.5 During the year, the Securities and Exchange Commission of Pakistan (SECP) carried out onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling & marketing expenses and allocated expenses to the funds under its management. As a result of this inspection, SECP raised certain observations relating to the chargeability of such expenses by the Management Company to the funds under its management. The Board of Directors of the Management Company has responded to the observations highlighted by the SECP and the management is engaged with SECP in this regard. Accordingly, the impact of the SECP's observations, if any, is not determinable as at the reporting date.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2024 ----Rupees in 000----	2023
Trustee remuneration	11.1	158	112
Sindh Sales Tax on Trustee remuneration	11.2	18	12
		<u>176</u>	<u>124</u>

11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as follows.

Net assets

Tariff per annum

-Up to Rs. 1 billion.

-0.20% per annum of net asset value.

-On an amount exceeding Rs. 1 billion.

-Rs. 2.0 million plus 0.10% per annum of net asset value exceeding Rs. 1,000 million.

The remuneration is paid to Trustee monthly in arrears.

11.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh of 13% (30 June 2023: 13%) was charged on trustee remuneration.

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

2024 2023
---Rupees in 000---

Annual fee payable

66

152

- 12.1 Under the provisions of the NBFC Regulations, a collective investment scheme categorized as a balanced scheme is required to pay an annual fee to Securities and Exchange Commission of Pakistan. With effect from 1st July 2019 SECP has revised its fee rate to 0.02 percent per annum of the average net assets of the Fund. The fee is paid annually in arrears.

13 ACCRUED EXPENSES AND OTHER LIABILITIES

Note 2024 2023
---Rupees in 000---

Federal Excise Duty on management remuneration

13.1

11,587

11,587

Federal Excise Duty on sales load

818

818

Dividend payable

493

493

Auditors' remuneration

614

631

Brokerage fee

68

98

Settlement and bank charges

662

765

Withholding tax

3,097

581

Legal and professional charges

120

134

Others

237

234

CGT Payable

92

47

17,788

15,388

- 13.1 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on 4 September 2013.

The Honorable Sindh High Court (SHC) through its recent order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honorable Supreme Court against the Sindh High Court's decision dated 2 June 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 11.587 million (30 June 2023: Rs. 11.587 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.2930 (June 2023: Rs. 0.3160) per unit.

14 CONTINGENCY AND COMMITMENT

There is no contingencies and commitments other than those describe in Note 7.1.2 (2023: Nil).

15	NUMBER OF UNITS IN ISSUE	2024	2023
		(Number of units)	
	Total units in issue at beginning of the year	36,663,750	45,147,265
	Add: units issued against sale	4,647,403	1,476,264
	Less: units redeemed	(1,758,929)	(9,959,779)
	Total units in issue at end of the year	<u>39,552,225</u>	<u>36,663,750</u>
16	AUDITORS' REMUNERATION	2024	2023
		----- Rupees in 000 -----	
	Audit fee	501	501
	Half yearly review	200	200
	Income certification	-	100
	Out of pocket expenses	161	59
		<u>862</u>	<u>860</u>

17 TAXATION

The Fund's income is exempt from Income Tax as per 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. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains 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, 2024 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements during the year. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

18 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA OF ASSIGNED CATEGORY

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated 06 March 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the fund as 'Balanced Fund'.

The SECP vide circular no. 16 dated 07 July 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 Funds or with investment requirements of their constitutive documents.

The following are the details of non-compliant investments:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Value as a percentage of net assets	Value as a percentage of gross assets
			(Rupees in '000)		----- (%) -----		
New Allied Electronic Industries (Private) Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks	10,000	(10,000)	-	-	-
Saudi Pak Leasing Company	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates (18.1)	27,547	(27,547)	-	-	-
Shakarganj Foods Products Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks	13,500	(8,254)	5,246	0.54%	0.86%
Eden Housing Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks	9,844	(9,844)	-	-	-
Total			<u>60,891</u>	<u>(55,645)</u>	<u>5,246</u>		

18.1 At the time of purchase, these term finance certificates and sukuks bonds were in compliance with the aforementioned circular. However, they subsequently defaulted or were downgraded to non investment grade

18.2 The management is taking steps to ensure compliance with the above requirements.

19 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is 4.78% per annum (2023: 4.87% per annum). Total expense ratio (excluding government levies) is 4.34% per annum (2023: 4.50% per annum).

20 FINANCIAL INSTRUMENTS BY CATEGORY

	At Amortised Cost	At fair value through profit or loss	Total
(Rupees in '000)			
June 30, 2024			
Assets			
Bank balances	300,810	-	300,810
Investments	-	689,053	689,053
Dividend and profit receiv ables	4,888	-	4,888
Deposits	3,921	-	3,921
	<u>309,619</u>	<u>689,053</u>	<u>998,672</u>
Liabilities			
Pay able to NBP Fund Management Limited - Management Company	8,094	-	8,094
Pay able to Central Depository Company of Pakistan - Trustee	176	-	176
Accrued expenses and other liabilities	5,054	-	5,054
	<u>13,324</u>	<u>-</u>	<u>13,324</u>
June 30, 2023			
Assets			
Bank balances	74,322	-	74,322
Investments	-	610,615	610,615
Dividend and profit receiv ables	2,525	-	2,525
Deposits	3,898	-	3,898
	<u>80,745</u>	<u>610,615</u>	<u>691,360</u>
Liabilities			
Pay able to NBP Fund Management Limited - Management Company	4,318	-	4,318
Pay able to Central Depository Company of Pakistan Limited - Trustee	124	-	124
Accrued expenses and other liabilities	2,355	-	2,355
	<u>6,797</u>	<u>-</u>	<u>6,797</u>

21 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

21.1 Connected persons include NBP Fund Management Limited (NBP Funds) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, entities under common management or

directorships, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company and unit holders holding 10 percent or more units of the Fund.

- 21.2** The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 21.3** Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 21.4** The details of significant transactions and balances with connected persons at year end except those disclosed elsewhere in these financial statements are as follows:

21.5 Transactions during the year:	2024	2023
	----Rupees in 000----	
NBP Fund Management Limited Management Company		
Management Remuneration	20,692	19,046
Sindh Sales Tax on remuneration of Management Company	2,690	2,476
Selling and marketing expense	9,623	9,904
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,637	1,524
Sales load	122	102
Adc charges	8	1
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,655	1,524
Sindh Sales Tax on remuneration of Trustee	215	198
CDS charges	2	2
Employees of the Management Company		
Units issued: 23,425 Units (2023: 221,532 units)	560	3,994
Dividend Re-invest Units Issued: 677 Units (2023: 131 units)	17	2
Units redeemed: 23,427 Units (2023: 223,028 units)	566	4,004
Pakistan Stock Exchange*		
Listing Fee	-	28
NBP Employees Pension Fund		
Dividend Re-invest Units Issued: 3,691,440 Units (2023: 710,300 units)	90,745	12,898
National Clearing Company Limited (NCCPL)*		
NCCPL Charges	-	365
Ronak Iqbal Lakhani*		
Units issued: Nil (2023: 44,692)	-	812
Units redeemed: Nil (2023: 6,545,256)	-	118,000
Fauji Fertilizer Company Limited		
Shares purchased: 50,800 Shares (2023: 55,000 Shares)	6,006	5,632
Shares sold: 2,700 Shares (2023: 19,500 Shares)	391	2,021
Dividend Income	4,201	4,631
Gul Ahmed Textile Mills Limited*		
Shares purchased: Nil (2023: 2,500 Shares)	-	58
Shares sold: Nil (2023: 79,300 Shares)	-	1,783
Taurus Securities Limited		
Brokerage Charges	36	63

21.6 Amounts outstanding as at year end:

	2024	2023
	----Rupees in 000----	
NBP Fund Management Limited - Management Company		
Management remuneration payable	1,950	1,371
Sindh Sales Tax payable	253	178
Selling and marketing expense	5,297	2,414
Allocated expenses	448	337
Sales load and Sindh Sales Tax payable	138	17
Adc share including sindh sales tax	8	1
Employees of the Management Company		
Units held: 7063 units (2023: 6,388 units)	174	116
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	158	112
Sindh Sales Tax payable	18	12
Settlement charges payable	248	268
Security deposit	100	100
Gul Ahmed Textile Mills Limited*		
Ordinary shares held: Nil (2023: 247,632 shares)	-	4,410
Fauji Fertilizer Company Limited		
Ordinary shares held: 268,300 Shares (2023: 220,2011 shares)	43,835	20,358
Ronak Iqbal Lakhani*		
Units held: units Nil (2023: 2,182,958 units)	-	157,490
National Bank of Pakistan		
Bank Balance in current account	354	354
NBP Employees Pension Fund		
Units held: 33,288,455 units (2023: 29,597,015 units)	818,530	523,910
Bank Islami Pakistan Limited*		
Bank Balance in savings account	-	2,581
National Clearing Company of Pakistan Limited (NCCPL)*		
NCCPL Charges Payable	-	207
Security Deposits	-	2,750

*Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at the year 30 June 2024.

22 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	Doctorate in Business Administration, MBA & CFA	36
2	Mr. Asim Wahab Khan	BBA, MBA & CFA	18
3	Mr. Salman Ahmed	CFA	19
4	Mr. Hassan Raza	ACCA, BSC & CFA	13

NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Qualification	Other funds managed by the Fund Manager
Mr. Asim Wahab Khan	CFA	NISIF, NIRIF, NIEF, NIAAEF, NSIF, NBF, NSF, NIAAF-II, NIAAF-III, NICPP-VI, NFSF & NGEIF

23 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

List of brokers by percentage of commission paid during the year ended 30 June 2024:

Particulars	Percentage (%)
1 Intermarket Securities	7.85%
2 Taurus Securities Ltd.	7.77%
3 Ktrade Securities Limited (Formerly Khadim Ali Shah Bukhari Securities (Pvt.) Limited)	6.85%
4 Sherman Securities (Pvt) Limited	5.32%
5 Arif Habib Securities Limited	5.28%
6 J.S. Global Capital Ltd.	4.24%
7 Ismail Iqbal Securities (Pvt) Limited	4.04%
8 Spectrum Securities (Pvt) Limited	4.02%
9 Insight Securities (Pvt.) Limited	3.90%
10 Foundation Securities	3.63%

List of brokers by percentage of commission paid during the year ended 30 June 2023:

Particulars	Percentage (%)
1 Taurus Securities Ltd.	15.63%
2 Arif Habib Securities Limited	7.02%
3 D.J.M Securities (Pvt) Limited	6.09%
4 Adam Securities (Pvt) Limited	6.02%
5 Foundation Securities	4.58%
6 Sc Securities Pvt Ltd	4.22%
7 Optimus Capital Management Limited	4.12%
8 Insight Securities (Pvt.) Limited	4.04%
9 Efg Hermes Pakistan Ltd	3.82%
10 Bma Capital Management Limited	3.80%

24 PATTERN OF UNIT HOLDING

June 30, 2024	Number of unit holders	Investment amount (Rupees in '000)	Percentage of investment ---- (%) ---
Category			
Individuals	324	137,454	14.13%
Associated Companies and Directors	1	818,530	84.16%
Insurance Companies	1	304	0.03%
Retirement Funds	4	15,688	1.61%
Others	3	574	0.06%
	333	972,548	100%
June 30, 2023	Number of unit holders	Investment amount (Rupees in '000)	Percentage of investment ---- (%) ---
Category			
Individuals	322	109,022	16.37%
Associated company and directors	1	537,467	80.73%
Insurance company	1	203	0.03%
Retirement funds	6	18,631	2.80%
Others	4	472	0.07%
	334	665,794	100%

25 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 92nd, 93rd, 94th, 95th, 96th, and 97th Board Meetings were held on July 12, 2023, September 15, 2023, September 23, 2023, October 30, 2023, February 29, 2024, and April 25, 2024, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held / Applicable	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	6	6	-	
Tauqeer Mazhar	6	5	1	94th Meeting
Mehnaz Salar	6	6	-	
Ali Saigol	6	6	-	
Imran Zaffar	6	5	1	92nd Meeting
Khalid Mansoor	6	6	-	
Saad Amanullah Khan	6	6	-	
Ruhail Muhammad	6	6	-	
Amjad Waheed	6	6	-	

26 FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund.

The Fund's risk management policies are established to identify and analyze the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by Board of Directors and Audit Committee regularly to reflect changes in market conditions and the Fund's activities.

The management of these risks is carried out by the Investment Committee (IC) under policies approved by the Board of Directors of the Management Company. The IC is constituted and approved by the Board of Directors of the Management Company. IC is responsible to devise the investment strategy and manage the investment portfolio of the Fund in accordance with limits prescribed in the Non Banking Finance Companies and Notified Entities Regulations, 2008, offering document of the Fund in addition to Fund's internal risk management policies.

The Fund primarily invests in a portfolio of listed equity securities, money market investments such as government securities, secured privately placed instruments, spread transactions, continuous funding system transactions and investments in other money market instruments (including the clean placements). Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to market risk, credit risk and liquidity risk.

26.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

26.1.2 Currency risk

Currency risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

26.1.3 Yield / profit rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(a) Sensitivity analysis for variable rate instruments

As at 30 June 2024, the Fund holds KIBOR based interest bearing term finance certificates and bank balances exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on 30 June 2024, 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. 3.205 million (2023: Rs. 1.044 million).

(b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds no fixed rate instruments.

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

Yield / interest rate	Exposed to yield / interest rate risk				Total	
	Upto three months	More than three months and up to one year	More than one year	Not exposed to Yield / Interest risk		
June 30, 2024						
On-balance sheet financial instruments						
Financial assets						
Bank balances	18.5 % - 22.75%	300,641	-	-	169	300,810
Investments	18.56 % - 24.64%	-	83	31,640	657,330	689,053
Dividend and profit receivables		-	-	-	4,888	4,888
Deposits		-	-	-	2,850	2,850
		300,641	83	31,640	665,237	997,601
Financial liabilities						
Payable to NBP Fund Management Limited - Management Company		-	-	-	8,094	8,094
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	176	176
Accrued expenses and other liabilities		-	-	-	5,054	5,054
		-	-	-	13,324	13,324
On-balance sheet gap		300,641	83	31,640	651,913	984,277
Total interest rate sensitivity gap		300,641	83	31,640	651,913	984,277
Cumulative interest rate sensitivity gap		300,641	300,724	332,364		

	Yield / interest rate	Exposed to yield / interest rate risk				Total
		Upto three months	More than three months and up to one year	More than one year	Not exposed to Yield / Interest risk	
June 30, 2023						
On-balance sheet financial instruments						
Financial assets						
Bank balances	10 % - 22.6%	74,153	-	-	169	74,322
Investments	18.5 % - 23.9%	-	-	212,494	398,121	610,615
Dividend and profit receivables		-	-	-	2,525	2,525
Deposits		-	-	-	2,850	2,850
		74,153	-	212,494	403,665	690,312
Financial liabilities						
Payable to NBP Fund Management Limited - Management Company		-	-	-	4,318	4,318
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	124	124
Accrued expenses and other liabilities		-	-	-	2,355	2,355
		-	-	-	6,796	6,796
On-balance sheet gap		74,153	-	212,494	396,869	683,516
Total interest rate sensitivity gap		74,153	-	212,494	396,869	683,516
Cumulative interest rate sensitivity gap		74,153	74,153	286,647		

26.1.4 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.

The fund is exposed to equity price risk because of investments held by the Fund and classified on the Statement of Assets and Liabilities 'at fair value through profit and loss'.

The Fund manages the risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Fund or weight of that company in KSE 30 index, whichever is higher, with overall limit of 25% to a single industry sector of the net assets of the Fund or weight of that sector in KSE 30 index, whichever is higher (the limit set by offering documents). The Fund also manages its exposure to price risk by diversifying its portfolio within the eligible stocks prescribed in the constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 5% increase / decrease in KSE 30 index on 30 June 2024, with all other variables held constant, net assets for the year would increase / (decrease) by Rs. 32.87 million (2023: Rs. 19.91 million) as a result of gains / (losses) on equity securities classified 'at fair value through profit and loss'.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 30 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 30 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 30 index.

26.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment and bank balances. Risks attributable to investments in Term Finance Certificates is limited as the counter parties are financial institutions with reasonably high credit ratings. While bank balances are maintained with banks with a reasonably high credit rating.

The analysis below summarizes the credit quality of the Fund's bank balances. The bank ratings are based on The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited as at 30 June 2024 and 30 June 2023.

Name of Bank	Ratings	2024	2023
		-----Rupees in 000-----	
ALLIED BANK LIMITED	AAA	33	31
BANK AL HABIB LIMITED		76	65
HABIB BANK LIMITED		1,200	207
MCB BANK LIMITED		1,057	7,805
MEEZAN BANK LIMITED		128	7
NATIONAL BANK OF PAKISTAN		354	354
UBLAMEEN (ISLAMIC BANKING BARANCH)		1	1
UNITED BANK LIMITED		289	237
ASKARI BANK LIMITED		19	16
BANK ALFALAH LIMITED	AA+	25,541	11,939
HABIB METROPOLITAN BANK LIMITED		72	60
DUBAI ISLAMIC BANK PAKISTAN LTD	AA	92	4
FAYSAL BANK LIMITED		(0)	74
BANK ISLAMI PAKISTAN LIMITED	AA-	3,107	2,581
JS BANK LIMITED		286	451
SONERI BANK LIMITED		268,555	50,492
		300,811	74,322

The maximum exposure to credit risk before any credit enhancement as at 30 June 2024 is the carrying amount of the financial assets. Concentration of credit risk.

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk.

26.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

Management of liquidity risk

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in the market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to ten percent of the net assets up to 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, during the current year, no borrowing was obtained by the Fund.

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

Maturity analysis for financial liabilities

The table below analyses the Fund's liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

The maturity profile of the Fund's liabilities based on contractual maturities is given below:

	Up to three months	Over three months and up to one year	Over one year	Total
----- (Rupees in '000) -----				
June 30, 2024				
Financial liabilities				
Payable to NBP Fund Management Limited - Management Company	8,094	-	-	8,094
Payable to Central Depository Company of Pakistan Limited - Trustee	176	-	-	176
Accrued expenses and other liabilities	5,054	-	-	5,054
	<u>13,324</u>	<u>-</u>	<u>-</u>	<u>13,324</u>
Unit holders' fund	<u>972,549</u>	<u>-</u>	<u>-</u>	<u>972,549</u>
June 30, 2023				
Financial liabilities				
Payable to NBP Fund Management Limited - Management Company	4,318	-	-	4,318
Payable to Central Depository Company of Pakistan Limited - Trustee	124	-	-	124
Accrued expenses and other liabilities	2,355	-	-	2,355
	<u>6,797</u>	<u>-</u>	<u>-</u>	<u>6,797</u>
Unit holders' fund	<u>665,795</u>	<u>-</u>	<u>-</u>	<u>665,795</u>

27 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.

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.

27.1 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in fair value hierarchy.

	Carrying value			Fair value				
	At fair value through profit or loss	At Amortised Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
30-Jun-24								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	657,330	-	-	657,330	657,330	-	-	657,330
- Treasury bills	-	-	-	-	-	-	-	-
- Term finance certificate	19,813	-	-	19,813	-	19,813	-	19,813
- Sukkuks	11,827	-	-	11,827	-	11,827	-	11,827
- Ijara Sukuk bonds	83	-	-	83	-	83	-	83
	689,053	-	-	689,053	657,330	31,723	-	689,053
Financial assets not measured at fair value								
Bank balances	-	300,810	-	300,810	-	-	-	-
Dividend and profit receivable	-	4,888	-	4,888	-	-	-	-
Deposits	-	2,850	-	2,850	-	-	-	-
	-	308,548	-	308,548	-	-	-	-
Financial liabilities not measured at fair value								
Payable to National Investment Trust Limited - Management Company	-	8,094	-	8,094	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	176	-	176	-	-	-	-
Accrued expenses and other liabilities	-	5,054	-	5,054	-	-	-	-
	-	13,324	-	13,324	-	-	-	-
30-Jun-23								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	398,121	-	-	398,121	398,121	-	-	398,121
- Treasury bills	147,830	-	-	147,830	-	147,830	-	147,830
- Term finance certificate	30,294	-	-	30,294	-	30,294	-	30,294
- Sukkuks	34,370	-	-	34,370	-	34,370	-	34,370
	610,615	-	-	610,615	398,121	212,494	-	610,615
Financial assets not measured at fair value								
Bank balances	-	74,322	-	74,322	-	-	-	-
Dividend and profit receivables	-	2,525	-	2,525	-	-	-	-
Deposits	-	2,850	-	2,850	-	-	-	-
	-	79,697	-	79,697	-	-	-	-
Financial liabilities not measured at fair value								
Payable to National Investment Trust Limited - Management Company	-	4,318	-	4,318	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	124	-	124	-	-	-	-
Accrued expenses and other liabilities	-	2,355	-	2,355	-	-	-	-
	-	6,797	-	6,797	-	-	-	-

27.2 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

27.3 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

28 UNIT HOLDERS' FUND RISK MANAGEMENT

The units holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions on the subscription and redemption of units.

As at 30 June 2024, The Fund meets the requirement of sub-regulation 54 (3a) which requires that the minimum size of an Open End Fund shall be one hundred million rupees at all time during the life of the Fund.

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

In accordance with the risk management policies stated in note 26, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by short term borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

29 GENERAL

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

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2024.

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

Chief Financial Officer

Chief Executive Officer

Director



PERFORMANCE TABLE

Particulars	For the Year	For the Year	For the Year	For the Year	For the Year	For the Year Ended
	Ended Jun 30,2024	Ended Jun 30,2023	Ended Jun 30,2022	Ended Jun 30,2021	Ended Jun 30,2020	Jun 30,2019
Net assets (Rs. '000')	972,548	665,794	818,824	1,607,673	1,381,719	1,404,134
Net Income/(Loss) (Rs. '000')	339,532	16,204	(72,371)	266,143	99,043	(133,647)
Net Asset Value per units (Rs.)	24.589	18.1595	18.1367	19.3595	16.6917	16.4866
Selling price per unit	25.4226	18.7751	18.7515	20.0158	17.2575	17.0446
Redemption price per unit	24.5890	18.1595	18.1367	19.3595	16.6917	16.4866
Ex- Highest offer price per unit (Rs.)	25.4894	19.1181	20.8027	20.4580	19.5827	19.2010
Ex- Lowest offer price per unit (Rs.)	16.6888	17.2720	18.5562	16.9263	14.6604	16.9231
Ex- Highest redemption price per unit (Rs.)	24.6537	18.4912	20.1206	19.7872	18.9406	18.5716
Ex- Lowest redemption price per unit (Rs.) 16.1416		16.7058	17.9478	16.3714	14.1797	16.3682
Fiscal Year Opening Nav	16.1401	17.7015	19.3595	16.2323	15.5344	18.0084
Total return of the fund	52.35%	2.59%	-6.3%	19.3%	7.4%	-8.45%
Capital growth	39.84%	0.13%	-6.3%	16.4%	7.4%	-8.45%
Income distribution as % of Ex-NAV	12.51%	2.46%	-	2.83%	1.32%	-
Income distribution as % of Par Value	30.66%	4.47%	-	5.55%	6.13%	-
Distribution						
Interim Distribution per unit	3.0660	0.4465	-	0.5554	1.0214	-
Final distribution per unit	-	-	-	-	-	-
Distribution dates						
Interim	27-Jun-2024	27-Jun-2023		23-Jun-21	24-Jun-20	
Interim						
Interim						
Final						
Average annual return (launch date January 19, 2007)						
(Since inception to June 30, 2024)	12.8%					
(Since inception to June 30, 2023)		10.8%				
(Since inception to June 30, 2022)			11.3%			
(Since inception to June 30, 2021)				12.7%		
(Since inception to June 30, 2020)					12.18%	
(Since inception to June 30, 2019)						12.57%
(Since inception to June 30, 2018)						
(Since inception to June 30, 2017)						
(Since inception to June 30, 2016)						
(Since inception to June 30, 2015)						
(Since inception to June 30, 2014)						
(Since inception to June 30, 2013)						
(Since inception to June 30, 2012)						
(Since inception to June 30, 2011)						
Weighted Average Portfolio Duration	4 days					
Portfolio Composition (see Fund Manager report)						

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

PROXY ISSUED BY THE FUND

The proxy voting policy of **NBP Balanced Fund** duly approved by Board of Directors of the Management Company, is available on the website of NBP Fund Management Limited i.e. www.nbpfunds.com. A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

NBP BALANCED FUND			
Resolutions	For	Against	Abstain*
7	7	Nil	N/A
100%	100%	-	-

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