

## **DIRECTORS' REPORT**

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited condensed interim financial statements of **NBP Financial Sector Fund (NFSF)** for the quarter ended September 30, 2024.

### **Fund's Performance**

Equities remained strong during 1QFY25 and the benchmark KSE-100 Index scaled new highs as it crossed the psychological barrier of 80,000 points for the first time. At the end of period, KSE-100 Index settled at around 81,000 level, surging by around 2,669 points, up by 3.4% during the quarter.

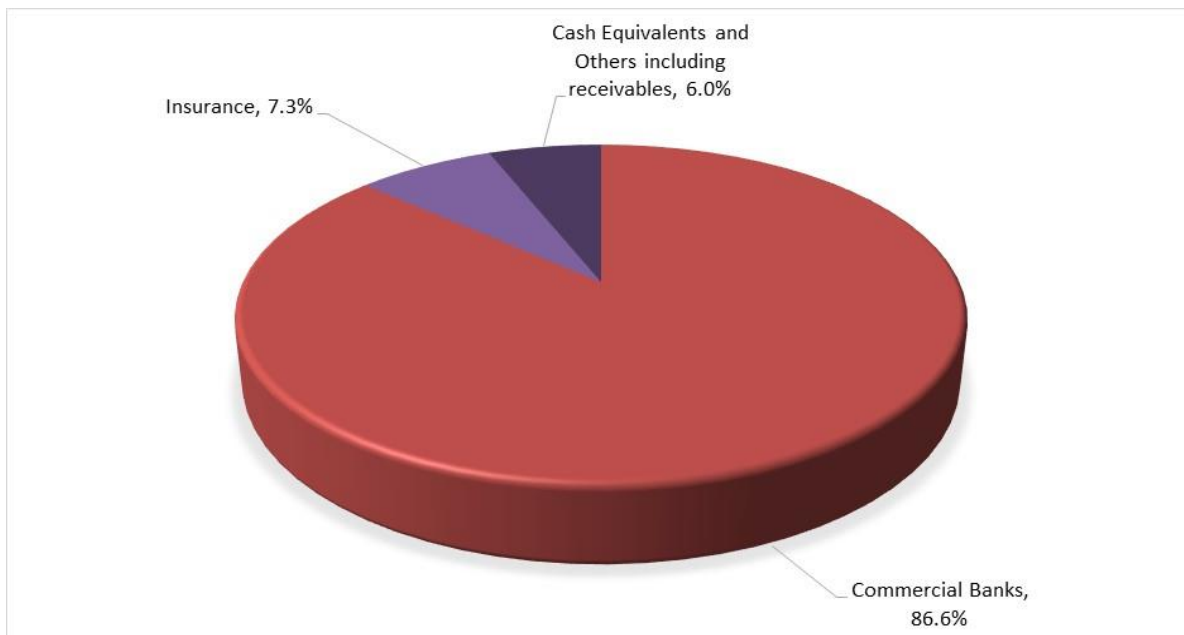
Notwithstanding the heightened volatility during the period, the overall market sentiment remained upbeat. During mid-July, Pakistani authorities and IMF reached Staff Level Agreement (SLA) for a 37-month Extended Fund Facility Arrangement (EFF) of USD 7 billion, which strengthened investors' confidence. The international ratings agencies, both Fitch Ratings and Moody's, upgraded Pakistan's Long-Term Foreign-Currency Issuer Default Rating by one notch. Other macro-economic indicators also highlighted gradual improvement during the period. Inflation finally cooled off to a single digit in 1Q, averaging around 9.2%, with Sept-24 inflation reading at 6.9% (lowest since Jan-21). As a result, central bank was able to cut Policy Rate by another 300 basis points to 17.5%. Related to this, the secondary market yields on government instruments fell sharply across all tenures. The yields on short-term papers saw a decline in the range of around 3% to 5.5%, while longer tenure papers also saw yield compression of around 2% to 4%. Current Account Deficit (CAD) was recorded at merely USD 98 million, down from USD 1.2 bn in same period last year, despite lifting of import restrictions & clearing of backlog of pending payments. It was due to significant improvement in workers' inflows, which improved from USD 6.3 bn in 1QFY24 to USD 8.8 bn in the recent quarter. Both inflation and CAD benefited from softening of commodities in international market as Bloomberg Commodity Index was seen at 93.3 level during the quarter, which is the lowest reading since Aug-21. The FX reserves of the country further increased by around USD 1.3 bn, and surpassed the USD 10 bn mark. Despite these favorable developments, the Index gains were relatively modest as market participants were concerned about the delay in IMF program, since IMF board accorded its nod towards end of Sept-24. Investors were also perturbed by the Index downgrade by FTSE from Emerging status to Frontier status for Pakistan, which entailed an outsized foreign outflow bulk of which took place towards end of the period.

In terms of sector-wise performance, Automobile Assembler, Cements, Commercial Banks, Fertilizers, Insurance, Leather & Tanneries, Miscellaneous, Oil & Gas Exploration, Pharmaceutical, and Transport sectors outperformed the market. On the contrary, Auto Parts & Accessories, Cable & Elec. Goods, Chemicals, Engineering, Food & Personal Care, Glass & Ceramics, Investment Banks/Companies, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Refinery, Sugar & Allied, Technology & Communication, Textile Composite and, Tobacco sectors lagged behind the market. Regarding participants' market activity, Individuals, Mutual Funds and Banks/DFIs emerged as the largest net buyers with inflows of around USD 47 million,

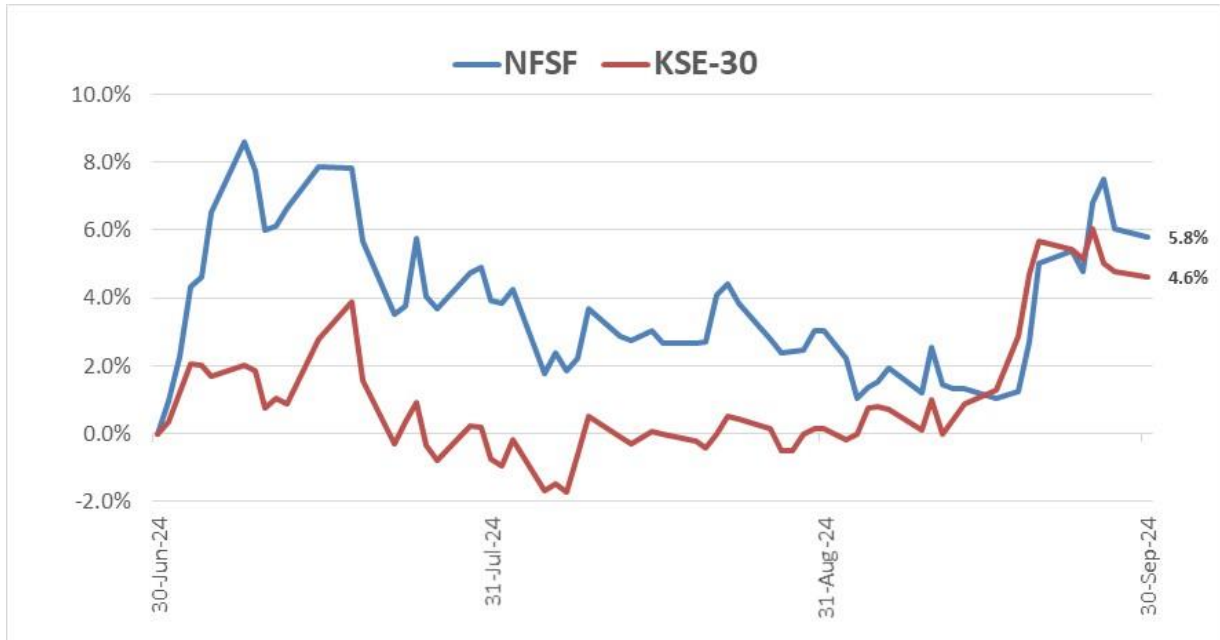
USD 19 million, and USD 8 million, respectively. Conversely, Foreigner and Insurance reduced their net holdings by around USD 22 million and USD 19 million, respectively.

The size of NBP Financial Sector Fund has Increased from Rs. 243 million to Rs 320 million during the period, i.e., an Increase of 31.7%. During the period, the unit price of NBP Financial Sector Fund (NFSF) has increased from Rs 13.4973 on June 30, 2024 to Rs. 14.2796 on September 30, 2024, thus showing an increase of 5.8%. The Benchmark for the same period was increased by 4.6%. Thus, the Fund has outperformed its Benchmark by 1.2% during the period under review. Since inception, the unit price of NBP Financial Sector Fund has decreased from Rs. 6.9869 (Ex-Div) on February 14, 2018 to Rs. 14.2796 on September 30, 2024, thus showing an increase of 104.4%. The Benchmark for the same period was increased by 106.2%. Thus, the Fund has underperformed its Benchmark by 1.8% during the period under review. This performance is net of management fee and all other expenses.

NBP Financial Sector Fund has earned a total income of Rs. 13.85 million during the period. After deducting total expenses of Rs. 2.26 million, the net income is Rs. 11.59 million. The asset allocation of the Fund as on September 30, 2024 is as follows:



## NFSF Performance versus Benchmark



### **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**

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**Chief Executive Officer**

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**Director**

**Date: October 30, 2024**

Place: Karachi.

## ڈائریکٹرز کی رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مدت 30 ستمبر 2024ء کو ختم ہونے والی پہلی سہ ماہی کے لئے NBP فنانسینشل سیکلر فنڈ (NFSF) کے غیر جانچ شدہ کنڈینسڈ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

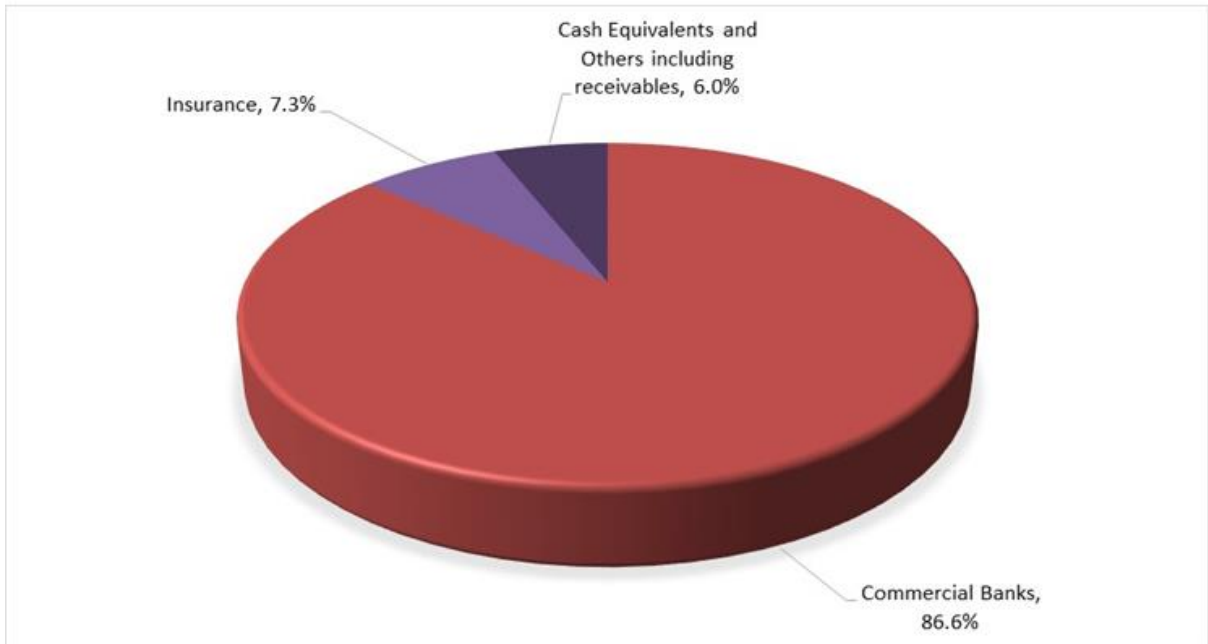
مالی سال 2025 کی پہلی سہ ماہی کے دوران ایکویٹیز مستحکم رہیں اور بیچ مارک KSE-100 انڈیکس نے پہلی بار 80 ہزار پوائنٹس کی نفسیاتی حد کو عبور کیا اور نئی بلندیوں تک پہنچ گئی۔ اس عرصے کے اختتام پر KSE-100 انڈیکس سہ ماہی کے دوران 3.4 فیصد بڑھ کر تقریباً 2669 پوائنٹس کے اضافے سے 81 ہزار کی سطح پر بند ہوا۔

اس عرصے کے دوران زیادہ اتار چڑھاؤ کے باوجود، مجموعی طور پر مارکیٹ کے جذبات پر جوش رہے۔ جولائی کے وسط میں پاکستانی حکام اور آئی ایم ایف کے درمیان 7 بلین ڈالر کے 37 ماہ کے توسیعی فنڈ سہولت انتظامات (ای ایف ایف) کے لیے اسٹاف لیول ایگریمنٹ (ایس ایل اے) طے پایا جس سے سرمایہ کاروں کا اعتماد بحال ہوا۔ بین الاقوامی ریٹنگ ایجنسیوں، دونوں بیچ ریٹنگ اور موڈیز نے پاکستان کی طویل مدتی فارن کرنسی ایسٹریٹیٹ ریٹنگ میں ایک درجہ کا اضافہ کیا ہے۔ دیگر بیکرو اکنامک انڈیکسز بھی اس عرصے کے دوران بتدریج بہتری کا ہر کر رہے ہیں۔ آخر کار پہلی سہ ماہی میں افراط زر کی شرح کم ہو کر واحد عدد پر آگئی جو اوسطاً 9.2 فیصد رہی اور 24 ستمبر کو افراط زر کی شرح 6.9 فیصد رہی جو 21 جنوری کے بعد سب سے کم ہے۔ اس کے نتیجے میں مرکزی بینک پالیسی ریٹ کو مزید 300 بیس پوائنٹس کم کر کے 17.5 فیصد کرنے میں کامیاب رہا۔ اس سے متعلق، سرکاری آلات پر ثانوی مارکیٹ کے شرح منافع میں تمام عرصہ میں تیزی سے کمی واقع ہوئی۔ قلیل مدتی پیپرز پر شرح منافع میں تقریباً 3 فیصد سے 5.5 فیصد کی کمی دیکھی گئی جبکہ طویل مدتی پیپرز کی شرح منافع میں بھی تقریباً 2 سے 4 فیصد کمی دیکھی گئی۔ درآمدی پابندیوں کے خاتمے اور زراعتی ادائیگیوں کے بیک الگ کی کلیرنگ کے باوجود کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) صرف 98 بلین ڈالر ریکارڈ کیا گیا جو گزشتہ سال کے اسی عرصے میں 1.2 بلین ڈالر تھا۔ اس کی وجہ ترسیلات زر کی آمد میں نمایاں بہتری تھی جو مالی سال 24 کی پہلی سہ ماہی میں 6.3 بلین ڈالر سے بڑھ کر سہ ماہی میں 8.8 بلین ڈالر ہو گئی۔ بین الاقوامی مارکیٹ میں اجناس کی قدر میں کمی سے دونوں افراط زر اور سی اے ڈی کو فائدہ ہوا کیونکہ سہ ماہی کے دوران بلومبرگ کموڈٹی انڈیکس 93.3 کی سطح پر دیکھا گیا جو 12 اگست کے بعد سے کم ترین ریڈنگ ہے۔ ملک کے زرمبادلہ کے ذخائر میں مزید 1.3 بلین ڈالر کا اضافہ ہوا اور یہ 10 بلین ڈالر سے تجاوز کر گیا۔ ان سازگار پیش رفتوں کے باوجود، انڈیکس میں اضافہ نسبتاً معمولی تھا کیونکہ مارکیٹ کے شرکاء آئی ایم ایف پروگرام میں تاخیر کے بارے میں فکر مند تھے، کیونکہ آئی ایم ایف بورڈ نے اس کی منظوری ستمبر 24 کے آخر میں دی تھی۔ سرمایہ کار ایف ٹی ایس ای کی جانب سے انڈیکس کو ابھر جنگ اسٹیٹس سے کم کر کے فرٹینئر اسٹیٹس میں تبدیل کرنے سے بھی پریشان تھے، جس کی وجہ سے اس عرصے کے آخر میں غیر ملکی زرمبادلہ کے بڑے حصے کا اخراج ہوا۔

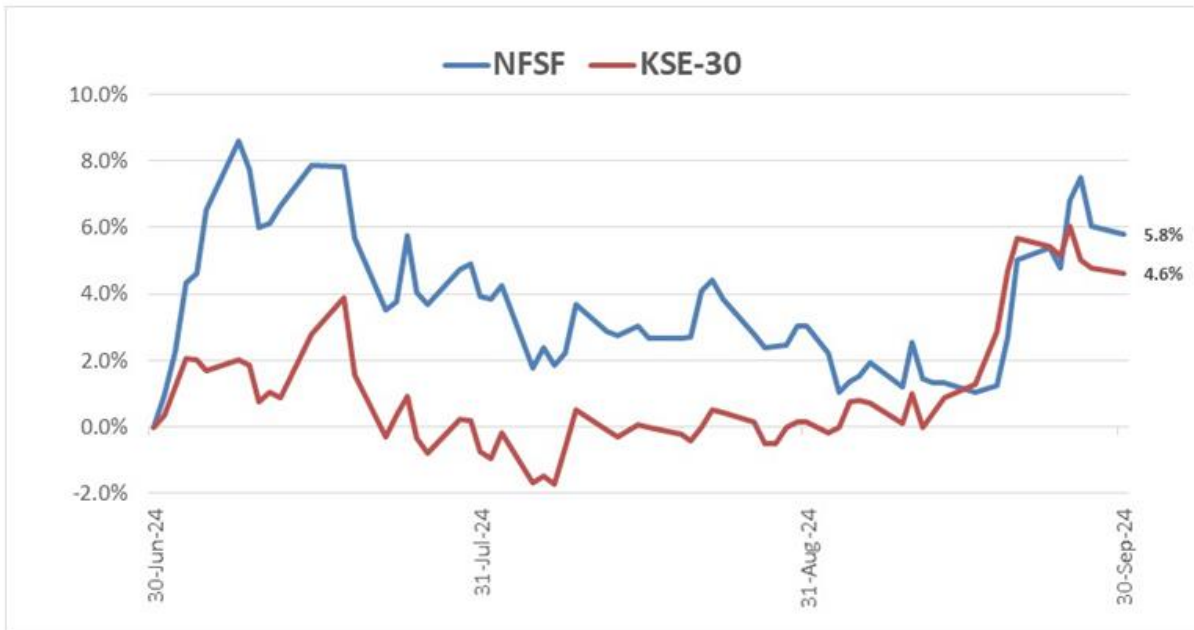
سیکلر وارڈ کارکردگی کے لحاظ سے آٹوموبائل، آئٹمز، سہولت، کمرشل بینکس، فریڈیلٹیز، انشورنس، ایڈریٹیڈ ہینڈلز، منقرق، آئل اینڈ گیس ایکسپلوریشن، فارماسیوٹیکل اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس آٹو پارٹس اور لوازمات، کپیل اینڈ الیکٹریکل گڈز، کیمیکلز، انجینئرنگ، فوڈ اینڈ بیورٹس، کینٹین، گلاس اینڈ سیرامکس، انویسٹمنٹ بینک/کمپنیاں، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پیپر اینڈ بورڈ، پاور جنریشن اینڈ ڈسٹری بیوٹن، ریفرنسری، شوگر اینڈ الیٹ، جینا لوجی اینڈ کمپنیٹیشن، ٹیکسٹائل کمپوزٹ اور تمباکو کے شعبوں نے مارکیٹ سے اتر کارکردگی دکھائی۔ شرکاء کی مارکیٹ سرگرمیوں کے حوالے سے افراد، میوچل فنڈز اور بینکنگ/DFIs بالترتیب 47 بلین ڈالر، 19 بلین ڈالر اور 8 بلین امریکی ڈالر کے ساتھ اہم خاص خریدار رہے۔ اس کے برعکس غیر ملکی اور انشورنس نے اپنی خاص ہولڈنگز میں بالترتیب 22 بلین ڈالر اور 19 بلین ڈالر کی کمی کی ہے۔

NBP فنانسینشل سیکلر فنڈ کا ساڑھے سات سالہ مدت کے دوران 243 بلین روپے سے بڑھ کر 320 بلین روپے ہو گیا، یعنی 31.7% کا اضافہ ہوا۔ اس مدت کے دوران، NBP فنانسینشل سیکلر فنڈ (NFSF) کے یونٹ کی قیمت 30 جون 2023 کو 13.4973 روپے سے بڑھ کر 30 ستمبر 2024 کو 14.2796 روپے ہو چکی ہے، لہذا 5.8% کا اضافہ ظاہر کیا۔ اسی مدت کے دوران بیچ مارک میں 4.6% کا اضافہ ہوا۔ لہذا، فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 1.2% کی بہتر کارکردگی دکھائی۔ اپنے قیام 14 فروری 2018 سے اب تک فنڈ کے یونٹ کی قیمت 6.9869 روپے سے بڑھ کر 30 ستمبر 2024 کو 14.2796 روپے ہو گئی، لہذا 104.4% کا اضافہ ہوا ہے۔ اسی مدت کے لئے بیچ مارک میں 106.2% کا اضافہ ہوا۔ لہذا، زیر جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے بیچ مارک سے 1.8% بہتر رہی۔ یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خاص ہے۔

NBP فنانسینشل سیکلر فنڈ کو موجودہ مدت کے دوران 13.85 بلین روپے کی مجموعی آمدنی ہوئی۔ 2.26 بلین روپے کے مجموعی اخراجات منہا کرنے کے بعد مجموعی آمدنی 11.59 بلین روپے ہے۔ 30 ستمبر 2024 کے مطابق فنڈ کی ایسٹ ایلیویشن حسب ذیل ہے:



NFSF کی کارکردگی بہ مقابلہ بیچ مارک



## اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے نیٹجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ 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 ڈسٹی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پرانا ناجا ہوتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

**NBP** نیٹجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 30 اکتوبر 2024

مقام: کراچی

**NBP FINANCIAL SECTOR FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2024**

		(Un-Audited) September 30, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances		17,583	27,925
Investments	4	300,573	229,671
Profit and dividend receivable		1,184	290
Deposits and other receivables		2,948	2,948
Receivable from funds under management by Management Company against conversion of units		6,163	10
Receivable against sale of investments		5,297	-
<b>Total assets</b>		<b>333,748</b>	<b>260,844</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - Management Company		2,495	2,056
Payable to the Central Depository Company of Pakistan Limited - Trustee		59	41
Payable to the Securities and Exchange Commission of Pakista	6	24	17
Accrued expenses and other liabilities		1,300	5,272
Payable against purchase of investments		-	10,015
Payable against conversion and redemption of units		9,970	740
<b>Total liabilities</b>		<b>13,848</b>	<b>18,141</b>
<b>NET ASSETS</b>		<b>319,900</b>	<b>242,703</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>319,900</b>	<b>242,703</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	5		
		----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>22,402,555</b>	<b>17,981,593</b>
		----- Rupees -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>14.2796</b>	<b>13.4973</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**NBP FINANCIAL SECTOR FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Note	Quarter ended September	
		2024	2023
------(Rupees in '000)-----			
<b>INCOME</b>			
Profit on bank balances		464	212
Dividend income		8,634	6,206
(Loss) / Gain on sale of investments - net		(150)	8,200
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' (FVTPL)		4,755	9,728
		4,605	17,928
<b>Total income</b>		<b>13,703</b>	<b>24,346</b>
<b>EXPENSES</b>			
Remuneration of NBP Fund Management Limited - Management Company		1,213	425
Sindh Sales Tax on remuneration of Management Company		182	55
Remuneration of Central Depository Company of Pakistan Limited - Trustee		162	57
Sindh Sales Tax on remuneration of Trustee		24	7
Fee - Securities and Exchange Commission of Pakistan	6	77	27
Securities transaction cost		312	120
Auditors' remuneration		124	357
Amortisation of preliminary expenses and floatation costs		-	-
Annual listing fee		8	7
Printing charges		4	16
Professional charges		37	29
Settlement and bank charges		118	155
<b>Total expenses</b>		<b>2,261</b>	<b>1,255</b>
<b>Net income from operating activities</b>		<b>11,442</b>	<b>23,091</b>
<b>Net income for the year before taxation</b>		<b>11,442</b>	<b>23,091</b>
Taxation	7	-	-
<b>Net income for the year after taxation</b>		<b>11,442</b>	<b>23,091</b>
<b>Earnings / (loss) per unit</b>			
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		11,442	23,091
Income already paid on units redeemed		(250)	(7,480)
		11,192	15,611
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		4,605	15,611
- Excluding capital gains		6,587	
		11,192	15,611

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**NBP FINANCIAL SECTOR FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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	<b>Quarter ended September</b>	
	<b>2024</b>	<b>2023</b>
	<b>----- (Rupees in '000) -----</b>	
<b>Net income for the year after taxation</b>	<b>11,442</b>	<b>23,091</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>11,442</b>	<b>23,091</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**NBP FINANCIAL SECTOR FUND  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter Ended September			Quarter Ended September		
	2024			2023		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	(Rupees in '000)					
<b>Net assets at the beginning of the year</b>	<b>490,256</b>	<b>(247,553)</b>	<b>242,703</b>	378,749	(285,838)	92,911
Issuance of 13,987,984 units (2023: 2,206,946 units)						
- Capital value (at ex - net assets value per unit)	<b>188,800</b>	-	<b>188,800</b>	17,192	-	17,192
- Element of income / (loss)	<b>10,741</b>	-	<b>10,741</b>	4,902	-	4,902
Total proceeds on issuance of units	<b>199,541</b>	-	<b>199,541</b>	22,094	-	22,094
Redemption of 9,567,022 units (2023: 5,693,131 units)						
- Capital value (at ex - net assets value per unit)	<b>(129,129)</b>	-	<b>(129,129)</b>	(44,350)	-	(44,350)
- Element of (loss) / income	<b>(4,407)</b>	<b>(250)</b>	<b>(4,657)</b>	(3,916)	(7,480)	(11,396)
Total payments on redemption of units	<b>(133,536)</b>	<b>(250)</b>	<b>(133,786)</b>	(48,266)	(7,480)	(55,746)
Total comprehensive income / (loss) for the year	-	<b>11,442</b>	<b>11,442</b>	-	23,091	23,091
<b>Net assets at the end of the year</b>	<b>556,261</b>	<b>(236,361)</b>	<b>319,900</b>	352,577	(270,227)	82,350
Accumulated losses brought forward						
- Realised loss		<b>(286,306)</b>			(269,887)	
- Unrealised loss		<b>38,753</b>			(15,951)	
		<b>(247,553)</b>			<b>(285,838)</b>	
Accounting income available for distribution						
- Relating to capital gains		<b>4,605</b>			15,611	
- Excluding capital gains		<b>6,587</b>			-	
		<b>11,192</b>			15,611	
Distribution during the year		-			-	
Total comprehensive loss for the year		-			-	
Accumulated losses carried forward		<b>(236,361)</b>			<b>(270,227)</b>	
Accumulated losses carried forward						
- Realised loss		<b>(241,116)</b>			(279,955)	
- Unrealised gain / (loss)		<b>4,755</b>			9,728	
		<b>(236,361)</b>			<b>(270,227)</b>	
				<b>(Rupees)</b>		<b>(Rupees)</b>
Net assets value per unit at the beginning of the year			<b>13.4973</b>			7.7901
Net assets value per unit at the end of the year			<b>14.2796</b>			9.7561

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**NBP FINANCIAL SECTOR FUND  
STATEMENT OF CASHFLOWS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter ended September	
	2024	2023
Note	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	11,442	23,091
<b>Adjustments for:</b>		
Net unrealised (appreciation) on re-measurement of investments classified as financial assets at FVTPL	(4,755)	(9,728)
Amortisation of preliminary expenses and floatation cost	-	-
	<b>(4,755)</b>	<b>(9,728)</b>
	<b>6,687</b>	<b>13,363</b>
<b>(Increase) / Decrease in assets</b>		
Investments	(66,147)	23,893
Profit and dividend receivable	(894)	197
Deposits and other receivables	-	(23)
Receivable against sale of investments	(5,297)	1,415
	<b>(72,338)</b>	<b>25,482</b>
<b>(Decrease) / Increase in liabilities</b>		
Payable to NBP Fund Management Limited - Management Company	439	(87)
Payable to the Central Depository Company of Pakistan Limited - Trustee	18	(13)
Payable to the Securities and Exchange Commission of Pakistan	7	(55)
Accrued expenses and other liabilities	(3,972)	352
Payable against purchase of investments	(10,015)	-
	<b>(13,523)</b>	<b>197</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(79,174)</b>	<b>39,042</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	193,388	22,094
Amount paid on redemption of units	(124,556)	(64,544)
Cash dividend paid	-	-
<b>Net cash generated from / (used in) financing activities</b>	<b>68,832</b>	<b>(42,450)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(10,342)</b>	<b>(3,408)</b>
Cash and cash equivalents at the beginning of the year	27,925	5,199
<b>Cash and cash equivalents at the end of the year</b>	<b>17,583</b>	<b>1,791</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**NBP FINANCIAL SECTOR FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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## **1 LEGAL STATUS AND NATURE OF BUSINESS**

NBP Financial Sector Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 04 January 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended equity scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from February 7, 2018 and are transferable and redeemable by surrendering them to the Fund.

The objective of NBP Financial Sector Fund is to provide investors with long term capital growth from an actively managed portfolio of listed equities belonging to the Financial Sector. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM1 to the Management Company. The Fund has not yet been rated.

The title to the assets of the Fund is held in the name of the CDC as the trustee of the Fund.

During the year ended 30 June, 2021 The Trust Act, 1882 was repealed due to the 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 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

**NBP FINANCIAL SECTOR FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2024.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2024.

These condensed interim financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

**3 SUMMARY OF ACCOUNTING POLICIES**

**3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2024.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2024. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2024.

	<b>(Un-Audited)</b>	<b>(Audited)</b>
	<b>September 30,</b>	<b>June 30, 2024</b>
	<b>2024</b>	
<b>Note</b>	<b>(Rupees in '000)</b>	

**4 INVESTMENTS**

**Financial asset at fair value through profit or loss**

- Listed equity securities	5.1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;"><b>300,573</b></td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;"><b>229,671</b></td> </tr> </table>	<b>300,573</b>	<b>229,671</b>
<b>300,573</b>	<b>229,671</b>			

**NBP FINANCIAL SECTOR FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

**4.1 Listed equity securities**

Shares of listed companies - fully paid up ordinary shares with a face value of Rs 10 each unless stated otherwise.

Name of the investee company	As at July 1, 2023	Purchases during the period	Bonus / Right Issue	Sales during the period	As at September 30, 2024	Market value as at September 30, 2024	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
							Net assets	Total Investments	
----- Number of shares held -----						(Rupees in '000)	----- % -----		
<b>INSURANCE</b>									
IGI Holdings Limited	121,200	22,700		7,600	136,300	20,036	6.26	6.67	0.10
Adamjee Insurance Company Limited	106,000	-		-	106,000	3,437	1.07	1.14	0.03
	<b>227,200</b>	<b>22,700</b>	<b>-</b>	<b>7,600</b>	<b>242,300</b>	<b>23,473</b>	<b>7.33</b>	<b>7.81</b>	
<b>COMMERCIAL BANKS</b>									
Allied Bank Limited	109,253	30,565		9,500	130,318	14,465	4.52	4.82	0.01
Askari Bank Limited	649,625	517,100		-	1,166,725	30,697	9.60	10.21	0.08
Bank Alfalah Limited	479,823	165,500		100,500	544,823	33,044	10.33	10.99	0.03
Bank Al Habib Limited	210,200	65,858		64,800	211,258	20,851	6.52	6.94	0.02
Bank of Punjab	13,219	162,000		-	175,219	885	0.28	0.29	0.01
BankIslami Pakistan Limited	-				-	-	-	-	-
Faysal Bank Limited	332,175	72,000		65,500	338,675	15,545	4.86	5.17	0.02
MCB Bank Limited	154,101	90,603		56,200	188,504	45,316	14.17	15.08	0.02
Meezan Bank Limited	85,773	47,800		35,500	98,073	22,375	6.99	7.44	0.01
National Bank of Pakistan	314,600	81,500		16,500	379,600	22,776	7.12	7.58	0.02
Soneri Bank Limited	212,000	404,500		250,500	366,000	5,135	1.61	1.71	0.03
United Bank Limited	18,658	37,500		7,300	48,858	14,238	4.45	4.74	0.00
Habib Metropolitan Bank Limited	149,900	93,500		20,000	223,400	15,010	4.69	4.99	0.02
Habib Bank Limited	204,884	134,200		49,700	289,384	36,763	11.49	12.23	0.02
	<b>2,934,211</b>	<b>1,902,626</b>	<b>-</b>	<b>676,000</b>	<b>4,160,837</b>	<b>277,100</b>	<b>86.63</b>	<b>92.19</b>	
<b>Total as at September 30, 2024</b>	<b>3,161,411</b>	<b>1,925,326</b>	<b>-</b>	<b>683,600</b>	<b>4,403,137</b>	<b>300,573</b>	<b>93.96</b>	<b>100.00</b>	
<b>Carrying value as at September 30, 2024</b>						<b>295,818</b>			

4.2 Investments include shares with market value of Rs 37.947 million (June 30, 2024: 41.678) 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 October 23, 2007 issued by the SECP.

**5 CONTINGENCIES AND COMMITMENTS**

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

**NBP FINANCIAL SECTOR FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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**6 Payable to the Securities and Exchange Commission of Pakistan**

As per NBFC Regulation 62(1) w.e.f. July 01, 2023, the Asset Management Company, within fifteen days of the close of every calendar month of the Collective Investment Scheme, shall pay the Commission non-refundable fee which is 0.095% of average annual net assets of the CIS.

**7 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 percent of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unitholders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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.

**8 TOTAL EXPENSE RATIO**

The annualised total expense ratio (TER) of the Fund based on the current period is 2.79% (September 30, 2024: 4.44%) which includes 0.4 (September 30, 2023: 0.31%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "equity" scheme.

**9 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

- 9.1** Connected persons includes NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, any entity in which the Management Company, its CISs or their connected persons have a material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 9.2** Transactions with connected persons / related parties are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 9.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 9.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of NBFC Regulations, 2008 and the Trust Deed.

**NBP FINANCIAL SECTOR FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

**9.5 Details of the transactions with related parties / connected persons during the year are as follows:**

	(Un-Audited)	
	Quarter ended September 30, 2024	Quarter ended September 30, 2023
	----- (Rupees in '000) -----	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of NBP Fund Management Limited - Management Company	1,213	425
Sindh Sales Tax on remuneration of Management Company	182	55
Sales load and transfer load payable	266	9,112
Sindh Sales Tax payable on sales load and transfer load	40	2,522
ADC charges including sindh sales tax	10	3
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	162	57
Sindh Sales Tax on remuneration of Trustee	24	7
<b>Employees of Management Company</b>		
Units issued / transferred in during the year: 2,476,248 units (2023: 1,026,208 units)	34,400	10,080
Units redeemed / transferred out during the year: 2,416,862 units (2023: 851,352 units)	33,700	8,252
<b>National Bank of Pakistan Limited - Parent Company***</b>		
Shares purchased: 81,500 shares (2023: Nil shares)	4,163	-
Shares sold: 16,500 shares (2023: Nil shares)	763	-
<b>Taurus Securities Limited - Subsidiary of Parent Company</b>		
Brokerage expense	13	8
<b>Margaret Elizabeth Majeed - Unit Holder With More Than 10% Holding**</b>		
Units issued / transferred in during the year: 3,843,734 units (2023: Nil units)	56,346	-

**9.6 Amounts / balances outstanding as at year end**

	(Un-Audited) Quarter ended September 30, 2024	Audited June 30, 2024
	----- (Rupees in '000) -----	
<b>NBP Fund Management Limited - Management Company</b>		
Management remuneration	384	282
Sindh Sales Tax payable on management remuneration	58	35
Sales load and transfer load payable	1,805	1,539
Sindh Sales Tax payable on sales load and transfer load	241	200

**Central Depository Company of Pakistan Limited - Trustee**

Trustee remuneration	51	36
Sindh Sales Tax on Trustee remuneration	8	5
Security deposit	100	100

**Employees of Management Company**

Units Held: 794,298 units (2024: 734,912 units)	11,342	9,919
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**Syed Anis Ahmad Shah - unit holder with more than 10% holding\***

Units Held: Nil units (2024: 2,149,230 units)	-	29,009
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**Margaret Elizabeth Majeed - Unit Holder With More Than 10% Holding\*\***

Units Held: 3,843,735 units (2024: Nil units)	54,887	-
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**National Bank of Pakistan Limited - Parent Company\*\*\***

Bank balances	91	99
Shares held: 379,600 shares (2024: 314,600 shares)	22,776	11,687
Dividend receivable	83	83

\* Current year figures has not been shown as the company ceased to be a related party/ connected person as at September 30, 2024

\*\* Prior year comparative has not been shown as the company was not a related party / connected person during the last term.

**10 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.

**11 GENERAL**

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

11.1 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.