

DIRECTOR'S REPORT

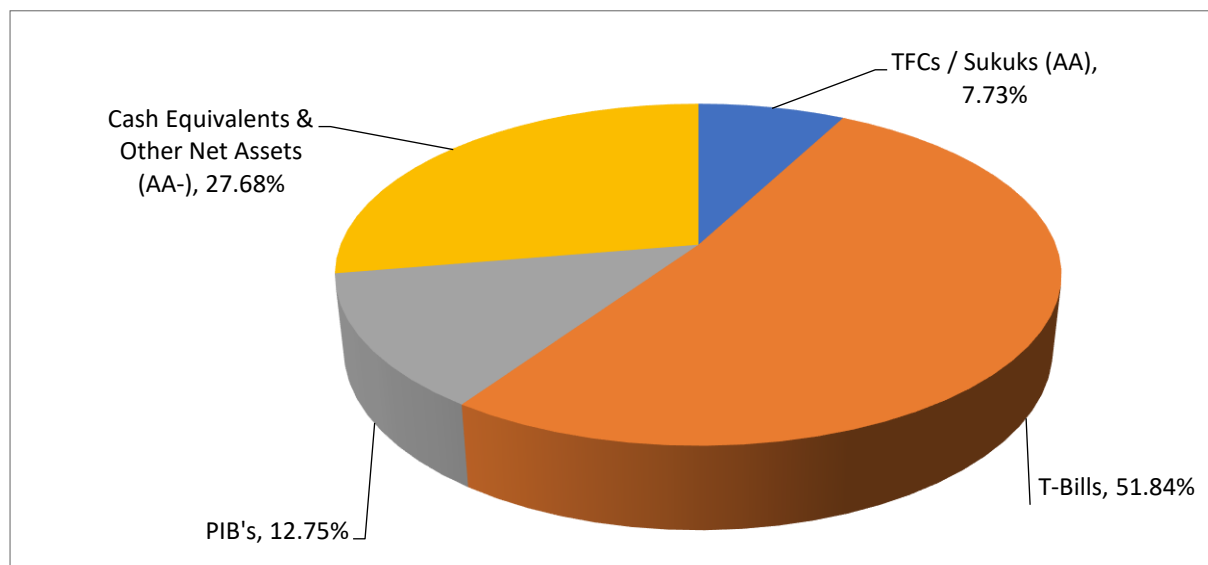
The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Income Opportunity Fund (NIOF)** for the quarter ended September 30, 2024.

Fund's Performance

NIOF is categorized as an Income Scheme and has been awarded stability rating of 'A+ (f)' by PACRA. Two Monetary Policy Committee (MPC) meetings were held during the quarter, where MPC reduced the policy rate by 300 basis point to 17.5%. The decision was taken amidst sharp fall in inflation & global oil prices, increase in FX reserves, decline in sovereign yields, and improved business confidence. Inflation as measured by CPI drastically decelerated and averaged 9.2% for the quarter compared to 23.8% in FY24. The MPC assessed that the ease in inflation was attributed to contained demand reinforced by improved supplies of major food items, favorable global commodity prices, and delay in upward adjustments in administered energy prices. However, MPC also noted that near-term inflation outlook remained susceptible to risks, owing to the uncertainty stemming from the timing and magnitude of adjustments in administered energy prices, future course of global commodity prices, and any additional taxation measures to meet the shortfall in revenue collection. The SBP's FX reserves increased during the period and were recorded at USD 10.7 billion as of 27-Sep-24 against USD 9.4 billion at June-24 end. SBP conducted six T-Bill auctions realizing a total of Rs. 2.25 trillion against the maturity of Rs. 1.23 trillion and target of Rs. 1.84 trillion. The sovereign yields, in anticipation of further rate cuts by SBP in upcoming monetary policies, equally responded to declining interest rate scenario where the yields declined in the range of 196-554 bps; the decline in short term was steeper than long term yields.

The size of NBP Income Opportunity Fund has increased from Rs. 4,566 million to Rs. 5,651 million during the period (i.e. a growth of 24%). The unit price of the Fund has increased from Rs. 10.8713 on June 30, 2024 to Rs. 11.4932 on September 30, 2024, thus showing a return of 22.7% p.a. as compared to the benchmark return of 18.5% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 315.42 million during the year. After deducting total expenses of Rs. 30.74 million, the net income is Rs. 284.68 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIOF.



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 کی رپورٹ

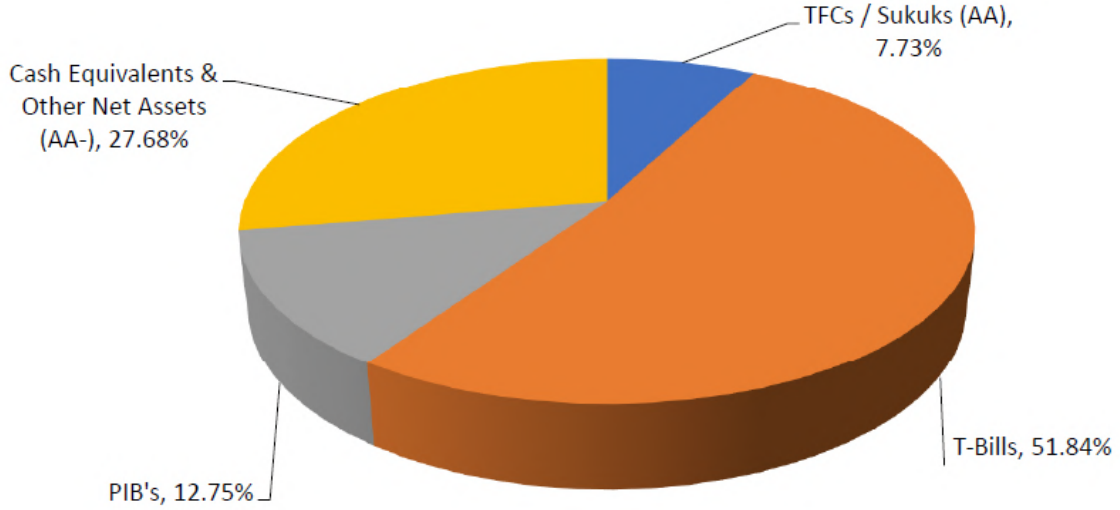
NBP فنڈ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2024 کو ختم ہونے والی پہلی سرمایہ کے لئے NBP اگم اپریل فنڈ (NIOF) کے غیر نظر ثانی شدہ کنڈینڈ عبوری مالیاتی کوٹوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

NIOF کی اگم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔ سرمایہ کے دوران مائٹری پالیسی کسٹلی (ایم پی سی) کے دو اجلاس ہوئے، جہاں ایم پی سی نے پالیسی ریٹ کو 300 بیس پوائنٹ کم کر کے 17.5 فیصد کر دیا۔ یہ فیصلہ افراط زر اور تیل کی عالمی قیمتوں میں تیزی سے کمی، زرمبادلہ کے ذخائر میں اضافے، مورچین منافع میں کمی اور کاروباری اعتماد میں بہتری کے باعث کیا گیا۔ سی پی آئی کی پینکشن کے مطابق افراط زر میں تیزی سے کمی آئی اور مالی سال 24 میں 23.8 فیصد کے مقابلے میں رواں سرمایہ کے دوران اوسط 9.2 فیصد رہی۔ ایم پی سی کا اندازہ کار افراط زر میں کمی، ایشیائی خورد و نوش کی بہتر فراہمی، عالمی اجناس کی موزوں قیمتوں اور توانائی کی قیمتوں میں اضافے میں تاخیر کی بدولت طلب میں اضافہ کی وجہ سے ہوئی ہے۔ تاہم، ایم پی سی نے یہ بھی درج کیا کہ توانائی کی انتظامی قیمتوں میں ایڈجسٹمنٹ اور شدت کے وقت، عالمی اجناس کی قیمتوں کے مستقبل کے لائحہ عمل اور محصولات کی وصولی میں کمی کو پورا کرنے کے لئے کسی بھی اضافی ٹیکس اقدامات کی وجہ سے پیدا ہونے والی غیر یقینی صورتحال کی وجہ سے قریب الیحا و افراط زر کا نقطہ نظر خطرات کا شکار ہے۔ اسٹیٹ بینک پاکستان کے زرمبادلہ کے ذخائر میں 27 ستمبر تک بڑھ کر 10.7 بلین ڈالر ہو گئے جو جون 24 کے اختتام پر 9.4 بلین ڈالر تھے۔ اسٹیٹ بینک نے 1.23 ٹریلین روپے کی سچھوٹی اور 1.84 ٹریلین روپے کے ہدف کے مقابلے میں مجموعی طور پر 2.25 ٹریلین روپے کی مجموعی طور پر 6 ٹی بل ٹیلا میاں کیں۔ اسٹیٹ بینک کی جانب سے آئندہ مائٹری پالیسیوں میں شرح سود میں مزید کٹوتی کی توقع کے پیش نظر خود مختار منافع نے شرح سود میں کمی کے مظہرنا سے پرہیز یکساں رد عمل ظاہر کیا جہاں منافع میں 196bps سے 554bps کی حد میں کمی واقع ہوئی۔ قلیل مدتی پیداوار میں کمی طویل مدتی پیداوار کے مقابلے میں زیادہ تیز تھی۔

موجودہ مدت کے دوران NBP اگم اپریل فنڈ کا سائز 4,566 ملین روپے سے بڑھ کر 5,651 ملین روپے ہو گیا ہے یعنی 24% کا اضافہ ہوا۔ فنڈ کے یونٹ کی قیمت 30 جون 2024 کو 10.8713 روپے سے بڑھ کر 30 ستمبر 2024 کو 11.4932 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 18.5% سالانہ کے مقابلے میں 22.7% سالانہ کا منافع درج کیا۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 315.42 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 30.74 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 284.68 ملین روپے ہے۔ درج ذیل چارٹ NIOF کی ایسٹ ایلیکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پینکشن شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے ٹینجٹ کمپنی پر امتنان، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر ریونٹ 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 رٹنی 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 ٹینجٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 30 اکتوبر 2024

مقام: کراچی

NBP Income Opportunity Fund
Condensed Interim Statement of Assets and Liabilities
As at 30 September 2024

	Note	(Unaudited) 30 September 2024	(Audited) 30 June 2024
(Rupees in '000)			
Assets			
Bank Balances	4	1,559,394	865,558
Investments	5	4,086,854	3,674,322
Profit Receivable		116,175	54,201
Receivable against transfer of units		3,586	165,581
Advance, Deposits And Other Receivables		13,735	13,922
Total assets		5,779,744	4,773,584
Liabilities			
Payable to NBP Fund Management Limited - the Management Company		75,591	62,182
Payable to Central Depository Company of Pakistan Limited - Trustee		397	312
Payable to Securities and Exchange Commission of Pakistan - annual fee		345	276
Payable against redemption		47,727	85,833
Accrued expenses and other liabilities		4,486	58,597
Total liabilities		128,547	207,200
Net assets		5,651,198	4,566,384
Unit holders' fund (As per statement attached)		5,651,198	4,566,384
Contingencies and commitments	6	-	-
(Number of units)			
Number of units in issue		491,700,972	420,040,480
(Rupees)			
Net assets value per unit		11.4932	10.8713

The annexed notes 1 to 14 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 Income Opportunity Fund
Condensed Interim Income Statement (Unaudited)
For the quarter ended 30 September 2024

	Quarter Ended September 30	Quarter Ended September 30
	2024	2023
Note	----- (Rupees in '000) -----	
Income		
Return / profit on:		
- bank balances and term deposits	40,395	156,712
- term finance certificates and sukuks	32,422	47,262
- government securities	175,699	61,827
- letter of placement	-	15,385
Other Income	5,295	-
Capital Gain / (Loss) on sale of investments - net	4,032	(313)
Net unrealised gain on re-measurement of investments at fair value through profit or loss	57,577	557
Total income	315,420	281,430
Expenses		
Remuneration of Management Company	12,219	12,433
Sindh Sales tax on remuneration of Management Company	1,833	1,616
Reimbursement of allocated expense	1,281	1,865
Sindh Sales tax on allocated expense	192	-
Reimbursement of selling and marketing expenses	8,134	8,704
Sindh Sales tax on selling and marketing expenses	1,220	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	961	933
Sindh Sales tax on remuneration of trustee	144	121
Annual fee - Securities and Exchange Commission of Pakistan	961	933
Settlement and bank charges	204	118
Security and transaction cost	2	9
Rating Fee	185	151
Listing Fee	7	7
Auditors' remuneration	231	240
Legal and professional charges	277	32
Printing charges	9	9
Provision against non-performing investment	2,885	14,404
Total expenses	30,744	41,575
Net income for the period before taxation	284,676	239,855
Taxation	8	-
Net income for the period after taxation	284,676	239,855
Allocation of Net income for the period:		
Net income for the year after taxation	284,676	239,855
Income already paid on units redeemed	(13,633)	(9,364)
	271,043	230,491
-Relating to capital gains	61,609	244
-Excluding capital gains	209,434	230,247
	271,043	230,491

The annexed notes 1 to 14 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 Income Opportunity Fund
Condensed Interim statement of Comprehensive Income (Unaudited)
For the quarter ended 30 September 2024

	Quarter ended September 30	Quarter ended September 30
	2024	2023
	----- (Rupees in '000) -----	
Net income for the period after taxation	284,676	239,855
Other comprehensive income		
Total comprehensive income for the period	<u>284,676</u>	<u>239,855</u>

The annexed notes 1 to 14 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 Income Opportunity Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)
For the quarter ended 30 September 2024

	Quarter ended September 2024			Quarter ended September 2023		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the year	4,003,430	562,954	4,566,384	4,442,195	552,933	4,995,128
Issuance of 206,171,905 units (2023: 25,556,583 units)						
- Capital value	2,241,354	-	2,241,354	277,172	-	277,172
- Element of income	61,867	-	61,867	8,003	-	8,003
Total proceeds on issuance of units	2,303,221	-	2,303,221	285,175	-	285,175
Redemption of 134,511,413 units (2023: 55,920,704 units)						
- Capital value	(1,462,313)	-	(1,462,313)	(606,482)	-	(606,482)
- Element of loss	(27,138)	(13,633)	(40,771)	(6,602)	(9,364)	(15,966)
Total payments on redemption of units	(1,489,451)	(13,633)	(1,503,084)	(613,084)	(9,364)	(622,448)
Total comprehensive income for the period	-	284,676	284,677	-	239,855	239,855
Net assets at end of the period	4,817,200	833,997	5,651,198	4,114,286	783,424	4,897,710
Undistributed income brought forward						
- Realised		558,359			564,382	
- Unrealised gain		4,595			(11,449)	
		562,954			552,933	
Accounting income available for distribution						
- Relating to capital gain		61,609			244	
- Excluding capital gains		209,434			230,247	
		271,043			230,491	
Undistributed income carried forward		833,997			783,424	
Undistributed income carried forward						
- Realised		772,388			782,867	
- Unrealised (loss) / gain		61,609			557	
		833,997			783,424	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			10.8713			10.8454
Net assets value per unit at end of the period			11.4932			11.3844

The annexed notes 1 to 14 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 Income Opportunity Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended 30 September 2024

	Quarter ended September 30	Quarter ended September 30
	2024	2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	284,676	239,855
Adjustments for non-cash charges and other items:		
Net unrealised diminution / (appreciation) on re-measurement of investmen	(57,577)	(557)
	<u>227,099</u>	<u>239,298</u>
(Increase) / decrease in assets		
Investments	(354,954)	652,288
Profit Receivable	(61,974)	(50,009)
Advance, Deposits And Other Receivables	187	126
	<u>(416,741)</u>	<u>602,405</u>
Increase / (Decrease) in liabilities		
Payable to NBP Fund Management Limited - the Management Company	13,409	(621)
Payable to the Central Depository Company of Pakistan Limited - Trustee	85	(22)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	69	(909)
Accrued expenses and other liabilities	(54,111)	(58,947)
	<u>(40,548)</u>	<u>(60,499)</u>
Net cash (used in) / generated from operating activities	<u>(230,190)</u>	<u>781,204</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	2,465,216	314,980
Payments on redemption of units	(1,541,190)	(621,073)
Net cash (used in) generated from financing activities	<u>924,026</u>	<u>(306,093)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>693,836</u>	<u>475,111</u>
Cash and cash equivalents at beginning of the period	865,558	3,112,909
Cash and cash equivalents at end of the period	<u><u>1,559,394</u></u>	<u><u>3,588,020</u></u>

The annexed notes 1 to 14 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 Income Opportunity Fund
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (Un-audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Income Opportunity Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 30 January 2006 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 Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. 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 11, 2006 and are transferable and redeemable by surrendering them to the Fund.
The objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing in money market and debt securities having good credit rating and liquidity. Other avenues of investments include ready future arbitrage in listed securities and transactions under margin trading system.

The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on June 21, 2024 (2023: AM1 on June 22, 2023). The rating reflects the Management Company an experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at "A+(f)" dated April 09, 2024 (2023: "A+(f)" on April 14, 2023).

The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the trustee of the Fund.

'During the year ended June 30, 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 November 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

2 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.

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

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

3 SUMMARY OF SIGNIFICANT 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.

3.3 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.

(Un-audited) (Audited)
September 30, June 30, 2024
2024
(Rupees in '000)

4 BANK BALANCES

Current accounts	70	70
Saving accounts	1,559,325	865,488
	1,559,394	865,558

4.1 These saving accounts carry mark-up at the rates ranging from 6% to 18.50 % per annum (June 2023: 11.00% to 22.90% per annum).

5. INVESTMENTS

(Un-audited) (Audited)
September 30, June 30, 2024
2024
(Rupees in '000)

At fair value through profit or loss

Equity securities	5.1		-	
Government securities - GoP Ijarah sukuk	5.2	-	275,193	
Government securities - Market Treasury Bills	5.3	2,929,342	2,233,368	
Government securities - Pakistan Investment Bonds	5.4	720,468	712,058	
Term finance certificates - non-performing securities	5.5	-	-	
Term finance certificates	5.6	191,353	192,484	
Corporate sukuk certificates	5.7	238,566	248,979	
Corporate sukuk certificates - non-performing securities	5.8	7,125	12,240	
		4,086,854	3,674,322	

5.1 Equity securities - listed at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at September 30, 2024	Investment as a percentage of	
	As at July 01, 2024	Purchased during the period	Bonus / Right shares	Sold during the period	As at September 30, 2024		Net assets	Market value of total investments
						Rs. in '000	-----	%

All shares have a nominal face value of Rs 10 each.

PERSONAL GOODS

Azgard Nine Limited - Non-voting	308	-	-	-	308	-	-	-
						-		
						-		

Carrying value / market value as at September 30, 2024

Carrying value before mark to market as at September 30, 2024

5.2 Government of Ijara Sukuks

Name of the investee company	Maturity Date	Number of certificates				Market value as at September 30, 2024	Investment as a percentage of	
		As at July 01, 2024	Purchased during the period	Sold / Matured during the period	As at September 30, 2024		Net assets	Market value of total investments
						Rs. in '000	-----	%
GoP Ijarah sukuk VRR - XL (Face value of Rs. 100,000 per certificate)	December 04, 2024	250	-	250	-	-	-	-
GoP Ijarah sukuk VRR - XLI (Face value of Rs. 100,000 per certificate)	December 4, 2026	750	-	750	-	-	-	-
GoP Ijarah sukuk VRR - XLII (Face value of Rs. 100,000 per certificate)	December 4, 2028	1,000	-	1,000	-	-	-	-
GoP Ijarah sukuk FRR - XXXIII (Face value of Rs. 100,000 per certificate)	December 4, 2026	750	-	750	-	-	-	-
						-		
						-		

Market Value as at September 30, 2024

Carrying value before mark to market as at September 30, 2024

5.3 Government securities - Market Treasury Bills

Issue Date	Tenor	Face value				Market value as at September 30, 2023	Investment as a percentage of	
		As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024		Net assets	Market value of total investments
						Rupees in '000	-----	%
January 11, 2024	6 Months	125,000	-	125,000	-	-	-	-
January 25, 2024	12 Months	375,000	-	200,000	175,000	167,034	2.96	4.09
April 4, 2024	12 Months	375,000	-	-	375,000	349,259	6.18	8.55
April 18, 2024	12 Months	500,000	-	-	500,000	463,446	8.20	11.34

Issue Date	Tenor	Face value				Market value as at September 30, 2023	Investment as a percentage of	
		As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024		Net assets	Market value of total investments
Rupees in '000						%		
May 2, 2024	3 Months	200,000	-	200,000	-	-	-	-
May 2, 2024	12 Months	250,000	-	-	250,000	230,546	4.08	5.64
May 16, 2024	12 Months	175,000	-	-	175,000	160,692	2.84	3.93
May 30, 2024	3 Months	375,000	-	375,000	-	-	-	-
May 30, 2024	12 Months	100,000	-	-	100,000	91,400	1.62	2.24
July 11, 2024	12 Months	-	250,000	-	250,000	225,504	3.99	5.52
July 11, 2024	3 Months	-	250,000	250,000	-	-	-	-
July 25, 2024	6 Months	-	250,000	250,000	-	-	-	-
August 22, 2024	6 Months	-	250,000	-	250,000	236,216	4.18	5.78
March 21, 2024	12 Months	-	100,000	-	100,000	93,576	1.66	2.29
August 22, 2024	3 Months	-	250,000	-	250,000	245,064	4.34	6.00
August 22, 2024	12 Months	-	250,000	-	250,000	222,788	3.94	5.45
September 5, 2024	12 Months	-	500,000	-	500,000	443,818	7.85	10.86
Market value as at September 30, 2024						2,929,342	51.84	71.68
Carrying value before mark to market as at September 30, 2024						2,877,300		

5.4 Government securities - Pakistan Investment Bonds

Issue Date	Tenor in years	Face value				Market value as at September 30, 2024	Investment as a percentage of	
		As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024		Net assets	Market value of total investments
Rupees in '000						%		
November 17, 2022	5	500,000	-	-	500,000	490,450	8.68	12.00
September 21, 2023	5	235,000	-	-	235,000	230,018	4.07	5.63
Market value as at September 30, 2024						720,468	12.75	17.63
Carrying value before mark to market as at September 30, 2024						713,638		

5.5 Term finance certificates - non-performing securities

Name of the investee company	Number of certificates				Market value as at September 30, 2023	Investment as a percentage of		
	As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024		Net assets	Market value of total investments	
Rs. in '000						%		
CEMENT								
Dewan Cement Limited TFC (Face value of Rs. 5,000 per certificate)	30,000	-	-	30,000	-	-	-	-
CHEMICAL								
Agritech Limited TFC V (Face value of Rs. 5,000 per certificate)	6,464	-	-	6,464	-	-	-	-
Agritech Limited TFC I (Face value of Rs. 4,952 per certificate)	30,000	-	-	30,000	-	-	-	-
COMMERCIAL BANKS								
Silk Bank Limited - TFC I (Face value of Rs. 4,995.5 per certificate)	20,000	-	-	20,000	-	-	-	-
LEASING COMPANIES								
Saudi Pak Leasing Company Limited - TFC II (Face value of Rs. 2,755 per certificate)	15,000	-	-	15,000	-	-	-	-
TECHNOLOGY & COMMUNICATION								
Worldcall Telecom Limited - TFC III (Face value of Rs. 1,666 per certificate)	45,000	-	-	45,000	-	-	-	-
TEXTILE COMPOSITE								
Azgard Nine Limited VII (PPTFC) (Face value of Rs. 5,000 per certificate)	16,095	-	-	16,095	-	-	-	-
Azgard Nine Limited - Zero Coupon (Face value of Rs. 5,000 per certificate)	39,093	-	-	39,093	-	-	-	-
MISCELLANEOUS								
PACE Pakistan Limited TFC Revised (Face value of Rs. 4,994 per certificate)	30,000	-	-	30,000	-	-	-	-
New Allied Electronic Industries (Private) Limited TFC (Face value of Rs. 2,114 per certificate)	15,000	-	-	15,000	-	-	-	-
Market value as at September 30, 2024						-		
Carrying value before mark to market as at September 30, 2024						-		

5.4.1 The investee companies had defaulted on their obligation on account of principal and profit payments and accordingly the certificates had been classified as non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 977.402 (2024: Rs. 981.426) million against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.4.2 During the period, the Fund has received Rs 7.524 million (2024: Rs 7.444 million) against recovery of provided term finance certificate of Shakarganj Foods and Azgard Nine Limited.

5.6 Term finance certificates - unlisted

Name of the investee company	Maturity date	Number of certificates			Market value as at September 30, 2024	Investment as a percentage of	
		As at July 01, 2024	Purchased during the period	Sold / Matured during the period		As at September 30, 2024	Net assets

Rs. in '000 ----- % -----

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

COMMERCIAL BANKS

The Bank of Punjab - TFC II
(Face value of Rs. 99,760 per certificate) April 23, 2028 900 - - 900 91,353 1.62 2.24

MICROFINANCE COMPANIES

Kashf Foundation - PPTFC (a related party)
(Face value of Rs. 100,000 per certificate) December 8, 2026 1,000 - - 1,000 100,000 1.77 2.45

Market value as at September 30, 2024	191,353	3.39	4.68
Carrying value before mark to market as at September 30, 2024	192,484		

5.7 Corporate Sukuk Certificates - Performing

Name of the investee company	Issue date	Number of certificates			Market value as at September 30, 2024	Investment as a percentage of	
		As at July 01, 2024	Purchased during the period	Sold / Matured during the period		As at September 30, 2024	Net assets

Rs. in '000 ----- % -----

CEMENT

Javedan Corporation Limited Sukuk I
(Face value of Rs. 50,000 per certificate) 150 - - 150 6,125 0.11 0.15

POWER GENERATION & DISTRIBUTION

K-Electric Limited - Sukuk - V (a related party)
(Face value of Rs. 3,750 per certificate) 41,000 - - 41,000 125,152 2.21 3.06

COMMERCIAL BANKS

Al Baraka Bank (Pakistan) Limited
(Face value of Rs. 1,000,000 per certificate) 25 - - 25 25,125 0.44 0.61

MISCELLANEOUS

Hub Power Holding Limited Sukuk
(Face value of Rs. 100,000 per certificate) 1,075 - - 1,075 82,164 1.45 2.01

Market value as at September 30, 2024	238,566	4.22	5.84
Carrying value before mark to market as at September 30, 2024	238,729		

5.8 Corporate Sukuk Certificates - Non-Performing

Name of the investee company	Number of certificates			Market Value as at September 30, 2023	Investment as a percentage of	
	As at July 01, 2024	Purchased during the period	Sold / Matured during the period		As at September 30, 2024	Net assets

----- % -----

MISCELLANEOUS

Eden Housing Limited Sukuk (2nd Issue) (Face value of Rs. 984 per certificate) 9,200 - - 9,200 - - -

New Allied Electronic Industries (Private) Limited - Sukuk II
(Face value of Rs. 4,905 per certificate) 9,000 - - 9,000 - - -

Shakarganj Food Products Limited Sukuk
(Face value of Rs. 450,000 per certificate) 70 - - 70 7,125 0.13 0.17

Market value as at September 30, 2024	7,125	0.13	0.17
Carrying value before mark to market as at September 30, 2024	7,125		

5.7.1 The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly have been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 81.205 million (2024: Rs 72.465 million) against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

6 CONTINGENCIES AND COMMITMENTS

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

7 REIMBURSEMENT OF SELLING AND MARKETING

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed 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 conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.70% per annum of the net assets of the Fund.

8 TAXATION

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

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,

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 2.17% (September 30, 2023: 2.19%) which includes 0.34% (September 30, 2023: 0.22%) representing Government Levies and SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

10 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 0.075% of average annual net assets of this CIS.

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

11 DETAILS OF NON-COMPLIANT INVESTMENTS

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

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

Following is the detail of non-compliant investments :

Type of Investment	Name of non-compliant investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
		-----Rupees in ('000)-----			-----%-----	
Investment in Debt securities & Sukuks**	Agritech Limited	147,336	(147,336)	-	-	-
	Agritech Limited V	32,320	(32,320)	-	-	-
	Azgard Nine Limited VII	60,356	(60,356)	-	-	-
	Azgard Nine Limited - Zero Coupon	195,465	(195,465)	-	-	-
	Dewan Cement Limited	150,000	(150,000)	-	-	-
	Eden Housing Limited - Sukuk II	9,056	(9,056)	-	-	-
	New Allied Electronics Industries (Private) Limited - PPTFC	31,707	(31,707)	-	-	-
	New Allied Electronics Industries (Private) Limited - Sukuk	44,149	(44,149)	-	-	-
	PACE Pakistan Limited	149,820	(149,820)	-	-	-
	Silk Bank Limited	99,920	(99,920)	-	-	-
	Saudi Pak Leasing Company Limited	41,321	(41,321)	-	-	-
	Shakarganj Foods	28,000	(20,875)	7,125	0.13	0.12
	World Call Telecom Limited	69,157	(69,157)	-	-	-
Investment in Equity scheme	Azgard Nine Limited (Non-Voting)	13	(13)	-	-	-
Total carrying value and accumulated impairment		1,058,620	(1,051,495)	7,125	0.13	0.12

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

12 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 12.1 Connected persons include 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 its connected persons, and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

- 12.2 The transactions with connected persons are carried out at agreed terms.
- 12.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 12.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

	(Un-audited) Quarter Ended September 30,2024'	(Un-audited) Quarter Ended September 30,2023
12.5 Details of the transactions with connected persons are as follows:	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	12,219	12,433
Sindh sales tax on remuneration of the Management Company	1,833	1,616
Sales load and transfer load during the period		228
Sindh Sales tax on sales load and transfer load during the period		30
Reimbursement of allocated expenses payable	1,281	1,865
Sindh Sales tax on allocated expense	192	-
Reimbursement of selling and marketing expenses payable	8,134	8,704
Sindh Sales tax on selling and marketing expenses	1,220	-
ADC Charges for the period with sindh sales tax		322
Units Redeemed / Transferred Out units (2023: units)		352
Central Depository Company of Pakistan Ltd. - Trustee		
Remuneration of the Trustee	961	933
Sindh Sales Tax on remuneration of the Trustee	144	121
CDS charges	92	5
Employees of Management Company		
Units Issued / Trasferred In: 893,437 units (2023: 167,581 units)	10,007	1,875
Units Redeemed / Transferred Out: 747,093 units (2023: 297,726 units)	8,402	3,339
Portfolio managed by the Management Company		
Units redeemed / transferred out Nil units (2023: 2,962,807 units)	-	33,000
K-Electric		
Sukuk income for the period	7,055	17,736
CDC Trustee NBP Islamic Government Securities Plan- III		
Sell of Government Ijarah Sukuk	100,000	-
	(Un-audited) Quarter Ended September 30,2024'	(Audited) June 30, 2024
12.6 Amounts outstanding as at year end are as follows:	(Rupees in '000)	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	4,315	3,489
Sindh sales tax on remuneration of the Management Company	647	454
Allocated expenses payable	2,898	1,617
Sindh sales tax on allocated expenses payable	192	-
Selling and marketing expenses payable	23,555	15,421
Sindh sales tax on selling and marketing expenses payable	1,220	-
Sales and transfer load payable	1,526	436
Sindh sales tax on sales and transfer load	281	57
Federal excise duty and related Sindh sales tax on management fee and sales load	40,695	40,695
ADC charges payable including Sindh sales tax	260	13
Units held: Nil (2023: Nil units)		0
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	345	276
Sindh sales tax on remuneration of the Trustee	52	36
Settlement charges payable	132	107
Security deposit	100	100
K-Electric Limited - common directorship		
Sukuk certificates	125,152	135,582
National Bank of Pakistan - Parent of the Management Company		
Bank balances	2,026	2,587
Profit receivable on bank balances	49	-
NBP Employees Pension Fund - unit holder with more than 10% holding		
Units held: 176,850,652 units (2023: 146,024,708 units)	2,032,580	1,922,596

	(Un-audited)	(Audited)
	Quarter Ended	June 30, 2024
	September	30,2024'
	(Rupees in '000)	
Telenore Microfinance Bank Limited - common directorship		
Bank balances	8	8
Profit receivable on bank balances	2	2
Portfolio managed by the Management Company **		
Units held in the Fund: 23,506,861 units (2023: 23,003,843 units)	270,169	255,550
Purchase of term finance certificates	-	101,808
Profit receivable on term finance certificates	-	1,394
Employees of the Management Company **		
Units held in the Fund: 293,269 units (2023: 673,031 units)	3,371	1,597
Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer of the Management Company		
Units held in the Fund: 126 units (2023: 107 units)	1	1

13 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.

14 GENERAL

- 14.1 Figures have been rounded off to the nearest thousand rupees.
- 14.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

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

Chief Financial Officer

Chief Executive Officer

Director