

NBP SAVINGS FUND (NBP-SF)

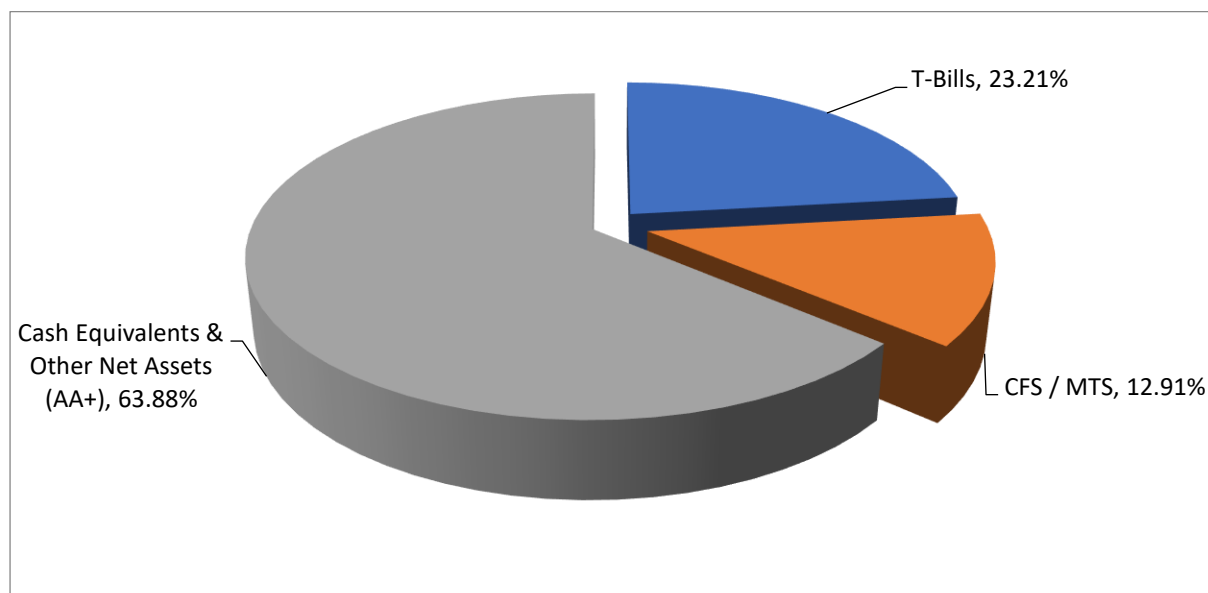
The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of NBP Savings Fund (NBP-SF) for the quarter ended September 30, 2024.

Fund's Performance

The size of NBP Savings Fund has decreased from Rs. 6,329 million to Rs. 6,068 million during the period (i.e. a drop of 4%). The unit price of NBP Savings Fund has increased from Rs. 9.8946 (Ex-Div) on June 30, 2024 to Rs. 10.3789 on September 30, 2024, thus showing a return of 19.4% 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.

NBP-SF 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 for 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 Fund has earned a total income of Rs. 313.21 million during the year. After deducting total expenses of Rs. 16.66 million, the net income is Rs. 296.55 million. The asset allocation of NBP-SF as on September 30, 2024 is as follows:



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

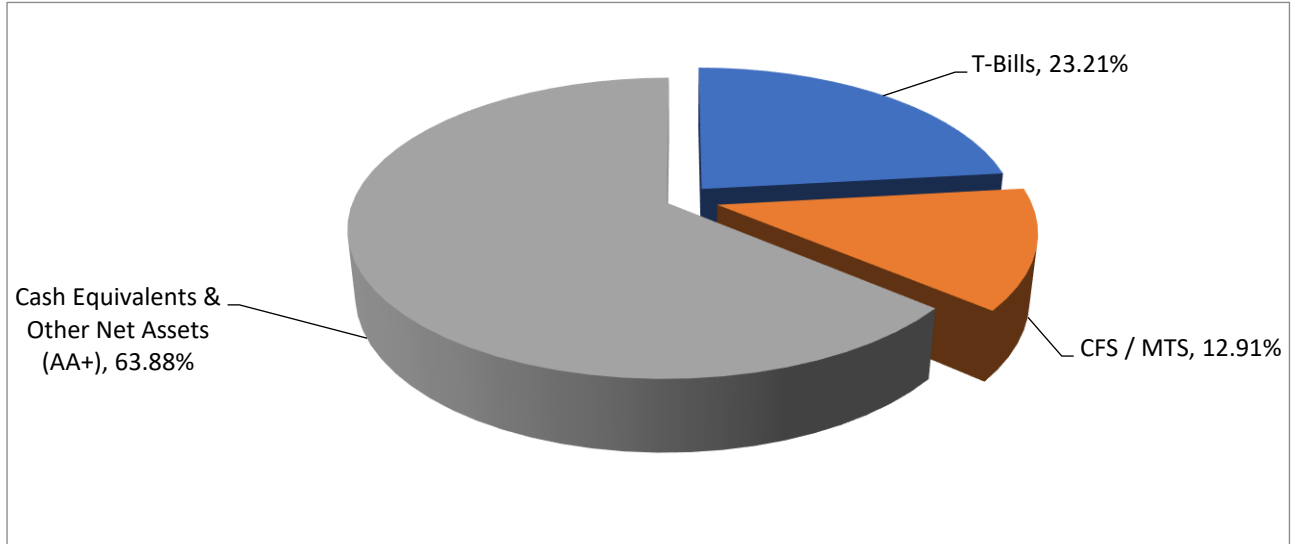
NBP فنڈ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بعد مسرت 30 ستمبر 2024 کو ختم ہونے والی سرمایہ کے لئے NBP سیوگ فنڈ (NBP-SF) کے فیہر جانچ شدہ کنڈیشنڈ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP سیوگ فنڈ کا ساٹھ سو تین لاکھ روپے سے کم ہو کر 6,068 ملین روپے ہو گیا یعنی 12% کی کمی ہوئی۔ NBP سیوگ فنڈ کے پوزٹ کی قیمت 30 جون 2024 کو 9.8946 روپے سے بڑھ کر 30 ستمبر 2024 کو 10.3789 روپے ہو گئی۔ لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 18.5% سالانہ کے مقابلے میں 19.4% سالانہ منافع درج کیا ہے۔ فنڈ کی یہ کارکردگی منجمنٹ ٹیم اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP-SF کی اعلیٰ 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 مانیٹری پالیسی کمیٹی (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 قتل کی عالمی قیمتوں میں تیزی سے کمی، زرمبادلہ کے ذخائر میں اضافے، سوریجن منافع میں کمی اور کاروباری اعتماد میں بہتری کے باعث کیا گیا۔ ایم پی سی کی پینلش کے مطابق افراط زر میں تیزی سے کمی آئی اور مالی سال 24 میں 23.8 فیصد کے مقابلے میں رواں سرمایہ کے دوران اوسطاً 9.2 فیصد رہی۔ ایم پی سی کا اعزازہ کار افراط زر میں کمی اہم اشیاء 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 لیا جاوے گا۔ افراط زر کا نقطہ نظر خطرات کا فکار ہے۔ اسٹیٹ بینک پاکستان کے زرمبادلہ کے ذخائر میں 27 ستمبر 24 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 بیچوٹی اور 1.84 ٹریلین روپے کے ہدف کے مقابلے میں مجموعی طور پر 2.25 ٹریلین روپے کی مجموعی طور پر 6 ٹریلین روپے کی نیلامیاں کیں۔ اسٹیٹ بینک کی جانب سے آئندہ مانیٹری پالیسیوں میں شرح سود میں مزید کٹوتی کی توقع کے پیش نظر خود مختار منافع نے شرح سود میں کمی کے منظر نامے پر بھی یکساں رد عمل دکھایا 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۔

فنڈ نے موجودہ مدت کے دوران 313.21 بلین روپے کی مجموعی آمدنی سمائی ہے۔ 16.66 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 296.55 بلین روپے ہے۔ 30 ستمبر 2024 کے مطابق NBP-SF کی ایسٹ ایلیکیشن حسب ذیل ہے:



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ 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 ڈسٹری بیوٹرز 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 منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 30 اکتوبر 2024

مقام: کراچی

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

| | | (Unaudited) 30 September 2024 | (Audited) 30 June 2024 |
|---|------|-------------------------------------|------------------------------|
| | Note | (Rupees in '000) | |
| Assets | | | |
| Balances with banks | 4 | 3,133,293 | 5,557,517 |
| Investments | 5 | 2,242,223 | 124,299 |
| Receivable against margin trading system | | 783,191 | 617,925 |
| Profit receivable | | 70,099 | 89,190 |
| Deposits, prepayments and other receivables | | 1,320 | 1,433 |
| Total assets | | 6,230,126 | 6,390,364 |
| Liabilities | | | |
| Payable to NBP Fund Management Limited - the Management Company | | 27,856 | 20,863 |
| Payable to the Central Depository Company of Pakistan Limited - the Trustee | | 511 | 413 |
| Payable to the Securities and Exchange Commission of Pakistan | 8 | 383 | 356 |
| Payable against redemption of units | | 89,125 | - |
| Accrued expenses and other liabilities | | 44,611 | 39,928 |
| Total liabilities | | 162,486 | 61,560 |
| Net assets | | 6,067,640 | 6,328,804 |
| Unit holders' fund (As per statement attached) | | 6,067,640 | 6,328,804 |
| Contingencies and commitments | 6 | - | - |
| | | (Number of units) | |
| Number of units in issue | | 584,614,121 | 639,595,958 |
| | | (Rupees) | |
| Net assets value per unit | | 10.3789 | 9.8950 |

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 Savings Fund
Condensed Interim Income Statement (Unaudited)
For the quarter ended 30 September 2024

| | Quarter Ended | |
|---|------------------------------|----------------|
| | September 30 | September 30 |
| | 2024 | 2023 |
| Note | ----- (Rupees in '000) ----- | |
| Income | | |
| - bank balances and term deposits | 144,836 | 181,709 |
| - term finance certificates and sukuks | 16,054 | - |
| - government securities | 38,904 | 6,751 |
| - margin trading system | 40,477 | - |
| - letter of placement | 65,262 | 9,028 |
| - Other income | - | 506 |
| Net Gain / (Loss) on sale of investments | 314 | (16) |
| Net unrealised gain on re-measurement of investments at fair value through profit or loss - held for trading | 7,368 | - |
| Total income | 313,215 | 197,978 |
| Expenses | | |
| Remuneration of NBP Fund Management Limited - the Management Company | 10,456 | 13,217 |
| Sindh sales tax on remuneration of the Management Company | 1,568 | 1,718 |
| Reimbursement of allocated expenses | - | 1,322 |
| Remuneration of Central Depository Company of Pakistan Limited - the Trustee | 1,172 | 661 |
| Sindh Sales Tax on remuneration of the Trustee | 176 | 86 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 1,172 | 661 |
| Reimbursement of selling and marketing expenses | - | 6,153 |
| Settlement and bank charges | 1,649 | 77 |
| Securities and transaction cost | 10 | 4 |
| Rating Fee | 107 | 85 |
| Annual listing fee | 7 | 7 |
| Auditors' remuneration | 248 | 128 |
| Legal and professional charges | 75 | 29 |
| Printing and other charges | 25 | 17 |
| Total expenses | 16,665 | 24,165 |
| | 296,550 | 173,813 |
| Net income for the period before taxation | 296,550 | 173,813 |
| Taxation | - | - |
| Net income for the period after taxation | 296,550 | 173,813 |
| Allocation of Net income for the period: | | |
| Net income for the period after taxation | 296,550 | 173,813 |
| Income already paid on units redeemed | (30,231) | (9,080) |
| | 266,319 | 164,733 |
| -Relating to capital gains | 7,682 | - |
| -Excluding capital gains | 258,637 | 164,733 |
| Accounting Income available for Distribution | 266,319 | 164,733 |

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 Savings Fund
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended 30 September 2024

| | Quarter Ended | |
|--|------------------------------|-----------------------|
| | September 30 | September 30 |
| | 2024 | 2023 |
| | ----- (Rupees in '000) ----- | |
| Net income for the year after taxation | 296,550 | 173,813 |
| Other comprehensive income | - | - |
| Total comprehensive income for the period | <u><u>296,550</u></u> | <u><u>173,813</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 Savings Fund
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended 30 September 2024

| | Quarter Ended September | | | | | |
|--|-------------------------|----------------------|------------------|------------------|----------------------|------------------|
| | 2024 | | | 2023 | | |
| | Value | Undistributed income | Total | Value | Undistributed income | Total |
| ----- (Rupees in '000) ----- | | | | | | |
| Net assets at beginning of the year | 6,300,366 | 28,438 | 6,328,804 | 3,291,941 | 28,639 | 3,320,580 |
| Issuance of 100,797,768 units (2023: 84,509,404 units) | | | | | | |
| - Capital value | 997,394 | - | 997,395 | 836,220 | - | 836,221 |
| - Element of income | 25,154 | - | 25,154 | 21,026 | - | 21,026 |
| Total proceeds on issuance of units | 1,022,801 | - | 1,022,549 | 857,246 | - | 857,247 |
| Redemption of 155,779,605 units (2023: 60,890,951 units) | | | | | | |
| - Capital value | (1,541,439) | - | (1,541,439) | (602,516) | - | (602,516) |
| - Element of loss | (8,593) | (30,231) | (38,824) | (5,738) | (9,080) | (14,818) |
| Total payments on redemption of units | (1,550,032) | (30,231) | (1,580,263) | (608,254) | (9,080) | (617,334) |
| Total comprehensive income for the period | - | 296,550 | 296,550 | - | 173,813 | 173,813 |
| Net assets at end of the period | 5,773,135 | 294,757 | 6,067,640 | 3,540,933 | 193,372 | 3,734,306 |
| Undistributed loss brought forward | | | | | | |
| - Realised | | 28,489 | | | 28,639 | |
| - Unrealised | | (51) | | | - | |
| | | 28,438 | | | 28,639 | |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | | 7,682 | | | - | |
| - Excluding capital gains | | 258,637 | | | 164,733 | |
| | | 266,319 | | | 164,733 | |
| Undistributed income carried forward | | 294,757 | | | 193,372 | |
| Undistributed income carried forward | | | | | | |
| - Realised | | 287,389 | | | 193,372 | |
| - Unrealised | | 7,368 | | | - | |
| | | 294,757 | | | 193,372 | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the year | | | 9.8950 | | | 9.8950 |
| Net assets value per unit at end of the period | | | 10.3789 | | | 10.3962 |

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 Savings Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended 30 September 2024

| | Quarter Ended | |
|--|-------------------------|-------------------------|
| | September 30 2024 | September 30 2023 |
| ----- (Rupees in '000) ----- | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | 296,550 | 173,813 |
| Adjustments for non-cash charges and other items: | | |
| Net unrealised (appreciation) in fair value of investments classified as 'at fair value through profit or loss' | (7,368) | - |
| | <u>289,182</u> | <u>173,813</u> |
| (Decrease) in assets | | |
| Investments | (2,110,556) | (558,547) |
| Profit receivable | 19,091 | (5,200) |
| Receivable against margin trading system | (165,266) | - |
| Deposits, prepayments and other receivables | 113 | 62 |
| | <u>(2,256,618)</u> | <u>(563,685)</u> |
| (Increase) in liabilities | | |
| Payable to Management Company | 6,993 | 8,175 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 98 | 28 |
| Payable to Securities and Exchange Commission of Pakistan - Annual fee | 27 | (306) |
| Accrued expenses and other liabilities | 4,683 | (23,887) |
| | <u>11,801</u> | <u>(15,990)</u> |
| Net cash (used in) operating activities | <u>(1,955,635)</u> | <u>(405,862)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issuance of units | 1,022,549 | 857,247 |
| Payments on redemption of units | (1,491,138) | (626,084) |
| Net cash generated from / financing activities | <u>(468,589)</u> | <u>231,163</u> |
| Net decrease in cash and cash equivalents during the period | <u>(2,424,224)</u> | <u>(174,699)</u> |
| Cash and cash equivalents at beginning of the period | 5,557,517 | 3,321,680 |
| Cash and cash equivalents at end of the period | <u><u>3,133,293</u></u> | <u><u>3,146,981</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 Savings Fund

NOTES TO AND FORMING PART OF THIS CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited, as the Management Company and 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 14 December 2007 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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 October 18, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The Management Company of the Fund has been licensed to act as an Asset Management Company by the SECP 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 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund, categorised as an income scheme as per the criteria for categorisation of open end collective investment scheme as specified by the Securities and Exchange Commission of Pakistan (SECP) and the Fund 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.

The investment objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.

The investment objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.

The Pakistan Credit Rating Agency Limited (PACRA) has determined the 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's experienced management team, structured investment process and sound quality of systems and processes.

Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has determined the stability rating of the Fund at "A+(f)" on April 9, 2024 (2023: "A+(f)" on April 14, 2023).

Title of the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

The Fund also provides accidental death (free), life insurance / life takaful and health coverage to unit holders of the Fund as stated in the Offering Document.

The cost of premium is borne by the investor (where applicable). Such premium cost is deducted from the unit holder's investment on a monthly basis in case of life insurance and annual basis in case of health insurance and deposited with the Insurance Company / Takaful Operator by the Management Company as per the terms and conditions of the Insurance / Takaful coverage defined in the Insurance / Takaful policy document signed between the Insurance Company / Takaful Operator and Management Company.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These 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 declared 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 SIGNIFICANT ACCOUNTING POLICIES

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 expenses and other factors. 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 audited 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 audited annual financial statements as at and for the year ended June 30, 2024.

4 BANK BALANCES

| | | (Unaudited) 30 September 2024 | (Audited) 30 June 2024 |
|---------------------|-----|-------------------------------------|------------------------------|
| In savings accounts | 4.1 | <u>3,133,293</u> | <u>5,557,517</u> |
| | | <u>3,133,293</u> | <u>5,557,517</u> |

4.1 These saving accounts carry mark-up at rates ranging from 18% to 20.25% per annum (June 2024: 18.50% to 21.25% per annum)

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

5 INVESTMENTS

At fair value through profit or loss

| | | | |
|---|-----|------------------|----------------|
| Term finance certificates and Sukuk bonds | 5.1 | 325,000 | - |
| Government securities - Market Treasury Bills | 5.2 | 1,408,326 | 124,299 |
| Letter of Placement | 5.3 | 508,897 | - |
| | | <u>2,242,223</u> | <u>124,299</u> |

5.1 Term finance certificates and sukuk bonds

5.1.1 Term finance certificates - At fair value through profit or loss

| Name of the investee company | Number of certificates | | | | Market value as at September 30, 2024 (Rs in '000) | Investment as a percentage of | | |
|---|------------------------|-----------------------------|-------------------------|--------------------------|--|-------------------------------|-----------------------------------|------------|
| | As at July 1, 2024 | Purchases during the period | Sales during the period | As at September 30, 2024 | | Net assets | Market value of total investments | Issue size |
| Term finance certificates - listed | | | | | | | | |
| Saudi Pak Leasing Company Limited | 15,000 | - | - | 15,000 | - | - | - | - |
| Worldcall Telecom Limited | 14,000 | - | - | 14,000 | - | - | - | - |
| | | | | 29,000 | - | - | - | - |
| Term finance certificates - unlisted | | | | | | | | |
| Agritech Limited II | 30,000 | - | - | 30,000 | - | - | - | - |
| Agritech Limited V | 4,436 | - | - | 4,436 | - | - | - | - |
| | | | | 34,436 | - | - | - | - |
| | | | | 63,436 | - | - | - | - |

Carrying cost of investments as at September 30, 2024

232,509

Accumulated Impairment

232,509

5.1.2 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. 232.509 (2023: Rs. 233.658) million against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.1.3 During the period, the Fund has received Rs 1.149 million (2023: Rs 1.235 million) against recovery of provided term finance certificate of Agritech Limited

5.1.4 Sukuk bonds - At fair value through profit or loss

| Name of the investee company | Number of certificates / bonds | | | | Market value as at September 30, 2024 (Rs in '000) | Investment as a percentage of | | |
|--|--------------------------------|-----------------------------|-------------------------|--------------------------|--|-------------------------------|-----------------------------------|-------------|
| | As at July 1, 2024 | Purchases during the period | Sales during the period | As at September 30, 2024 | | Net assets | Market value of total investments | Issue size |
| Sukuk bonds - unlisted | | | | | | | | |
| New Allied Electronics Industries (Private) Limited (note 5.1.5) | 10,000 | - | - | 10,000 | - | - | - | - |
| Eden Housing Limited (note 5.1.6) | 20,000 | - | - | 20,000 | - | - | - | - |
| K-Electric Sukuk | - | 325 | - | 325 | 325,000 | 5.4% | 14.5% | 6.5% |
| | | | | 30,325 | 325,000 | 5.4% | 14.5% | 6.5% |

Carrying cost of investments as at September 30, 2024

393,742

Accumulated Impairment

68,742

5.1.5 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. 68.742 (2023: Rs. 68.742) million against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.2 Government securities - Market Treasury Bills

| Issue Date | Tenor | Face Value | | | | Market value as at September 30, 2024 | Investment as a percentage | |
|---|----------|--------------------|-----------------------------|-----------------------------------|--------------------------|---------------------------------------|----------------------------|-----------------------------------|
| | | As at July 1, 2024 | Purchases during the period | Sales / Matured during the period | As at September 30, 2024 | | Net assets | Market value of total investments |
| 11-Jan-24 11-Jul-24 | 6 months | 125,000 | - | 125,000 | - | - | - | |
| 05-SEP-24 06-MAR-25 | 6 months | - | 500,000 | - | 500,000 | 470,122 | 7.7% | 21.0% |
| 05-SEP-24 28-NOV-24 | 3 months | - | 500,000 | - | 500,000 | 487,444 | 8.0% | 21.7% |
| 11-JUL-24 03-OCT-24 | 3 months | - | 250,000 | 250,000 | - | - | - | - |
| 22-AUG-24 14-NOV-24 | 3 months | - | 250,000 | - | 250,000 | 245,064 | 4.0% | 10.9% |
| 22-AUG-24 20-FEB-25 | 3 months | - | 250,000 | 32,300 | 217,700 | 205,696 | 3.4% | 9.2% |
| 25-JUL-24 17-OCT-24 | 3 months | - | 250,000 | 250,000 | - | - | - | - |
| Market Value as at September 30, 2024 | | | | | | <u>1,408,326</u> | <u>23.21%</u> | <u>62.81%</u> |
| Carrying value of investments as at September 30, 2024 | | | | | | <u>1,400,958</u> | | |

5.3 Letter of Placement

| Name of the investee company | Maturity date | Face Value | | | | Market value as at September 30, 2024 | Investment as a percentage of | |
|--|---------------|--------------------|-----------------------------|-----------------------------------|--------------------------|---------------------------------------|-------------------------------|-----------------------------------|
| | | As at July 1, 2024 | Purchases during the period | Sales / Matured during the period | As at September 30, 2024 | | Net assets | Market value of total investments |
| Market Value as at September 30, 2024 | | | | | | <u>508,897</u> | | |

5.4.1 These carries profit at the rate of 17.85% per annum and will mature on November 08, 2024.

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 EXPENSES

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 0.65% per annum of the net assets of the Fund.

8 PAYABLE TO 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 the CIS.

9 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, 2001.

10 Total Expense Ratio

The annualised total expense ratio (TER) of the Fund based on the current period is 1.07% (September 30, 2023: 2.46%) which includes 0.19% (September 30, 2023: 0.28%) representing Government Levy and the 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".

11 DETAILS OF NON-COMPLIANT INVESTMENTS

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

The SECP vide circular no. 16 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.

| Type of Investment | Name of Non-Compliant Investment | Value of investment before provision | Provision held, if any | investment after provision | Percentage of net assets | Percentage of gross assets |
|--------------------|-------------------------------------|--------------------------------------|------------------------|----------------------------|--------------------------|----------------------------|
| | New Allied Electronics (Pvt) Ltd II | 49,054 | 49,054 | - | - | - |
| | AgriTech Limited II | 147,491 | 147,491 | - | - | - |
| Investment in | AgriTech Limited V | 22,180 | 22,180 | - | - | - |
| Debe Securities | Eden Housing Ltd. | 19,688 | 19,688 | - | - | - |
| | Saudi Pak Leasing Co. | 41,321 | 41,321 | - | - | - |
| | Worldcall Telecom Limited. | 21,516 | 21,516 | - | - | - |
| | | 301,250 | 301,250 | - | - | - |

11.1 At the time of purchase, the above Term Finance Certificates were in compliance with the circular (i.e. investment grade) and was subsequently downgraded. In case of New Allied Electronics Industries (Private) Limited, Agri Tech Limited and Eden Housing Limited the downgrading has been made due to default in payments of due principal and markup.

12 TRANSACTIONS 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 sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.

12.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

12.3 Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

12.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at period end are as follows:

| (Un-audited) | |
|--------------------|--------------------|
| Quarter Ended | Quarter Ended |
| September 30, 2024 | September 30, 2023 |

(Rupees in '000)

12.5 Details of the transactions with connected persons are as follows:

NBP Fund Management Limited - Management company

| | | |
|--|--------|--------|
| Remuneration of NBP Fund Management Limited - the Management Company | 10,456 | 13,217 |
| Sindh Sales Tax on remuneration of the Management Company | 1,568 | 1,718 |
| Sale load and transfer load during the period | 5,868 | 6,646 |
| Sale tax on sale load and transfer load | 1,877 | 864 |
| Reimbursement of operational expenses to the Management Company | - | 1,322 |
| Reimbursement of selling and marketing expenses | - | 6,153 |
| ADC chargers including Sindh sale tax | 339 | 294 |

Central Depository Company of Pakistan - Trustee

| | | |
|--|-------|-----|
| Remuneration of Central Depository Company of Pakistan Limited - the Trustee | 1,172 | 661 |
| Sindh Sales Tax on remuneration of the Trustee | 176 | 86 |

Employees of Management Company

| | | |
|---|-------|-----|
| Dividend Re-invest Units Issued: 12 units (2023: Nil) | - | - |
| Units Issued / Trasferred In 321,370 units (2023: 1,035,797 units) | 3,282 | 454 |
| Units Redeemed / Transferred Out 699,591 units (2023: 31,998 units) | 7,048 | 180 |

NBP EMPLOYEES PENSION FUND

| | | |
|--|----|---|
| Dividend Re-invest Units Issued: 4,841 units (2023: Nil) | 48 | - |
|--|----|---|

Defence Housing Authority Lahore - 10% holding*

| | | |
|--|--------|---|
| Dividend Re-invest Units Issued: 3,124 units (2023: Nil) | 49,990 | - |
|--|--------|---|

K.T.H CP Fund (M.T.I)

| | | |
|---|---------|--------|
| Dividend Re-invest Units Issued: 2,705 units (2023: Nil) | 27 | - |
| Units Issued / Trasferred In 5,592,820 units (2023: 5,858,694 units) | 56,420 | 59,027 |
| Units Redeemed / Transferred Out 24,513,711 units (2023: 153,862 units) | 250,657 | 1,556 |

Portfolio managed by the Management Company

| | | |
|------------------------|--------|---|
| Sell of Treasury bills | 32,300 | - |
|------------------------|--------|---|

National Bank of Pakistan

| | | |
|---------------------------|----|---|
| Income on savings account | 46 | - |
|---------------------------|----|---|

K-Electric (Common Directorship)

| | | |
|------------------------------|---------|---|
| Purchase of K-electric sukuk | 325,000 | - |
| Income on sukuk certificates | 16,054 | - |

| | Un-audited As at September 30, 2024 (Rupees in '000) | Audited As at June 30, 2024 |
|---|--|-----------------------------------|
| 12.6 Amounts outstanding as at period / year end | | |
| NBP Fund Management Limited - Management company | | |
| Remuneration of the Management Company | 3,372 | 3,521 |
| Sindh Sales Tax on remuneration of the Management Company | 506 | 458 |
| Reimbursement of selling and marketing expenses payable | 4,549 | 4,549 |
| Sales and transfer load payable | 13,473 | 7,606 |
| Sindh Sales Tax on sales and transfer load | 1,876 | 989 |
| Federal Excise Duty on remuneration of the Management Company | 2,799 | 2,808 |
| ADC charges payable including Sindh Sales tax | 1,278 | 932 |
| Central Depository Company of Pakistan - Trustee | | |
| Remuneration payable | 383 | 356 |
| Sindh Sales Tax on remuneration of the trustee | 57 | 46 |
| Security deposit | 100 | 100 |
| CDC Charges | 71 | 11 |
| Employees of the Management Company | | |
| Units held: 263,271 units (June 30, 2024: 641,480 units) | 2,732 | 6,347 |
| Telenor Microfinance Bank Limited (Common Directorship)** | | |
| Bank balance | 7 | 7 |
| Profit receivable on bank balance | 2 | 2 |
| Muhammad Murtaza Ali - Company Secretary / COO | | |
| Units held: 1 units (June 30, 2024: 1 units) | - | - |
| NBP Employees Pension Fund | | |
| Units held: 119,987,915 units (June 30, 2024: 119,983,074 units) | 1,245,343 | 1,187,233 |
| K.T.H CP Fund (M.T.I) - 10% holding or more of the units | | |
| United held: 68,736,051 units (June 30, 2024: 87,654,239 units) | 713,405 | 867,339 |
| Portfolio managed by the Management Company | | |
| Units held in the fund: 44 units (June 30, 2024: 44 units) | - | - |
| National Bank of Pakistan - (parent of the Management Company) | | |
| Bank balance | 2,795 | 2,439 |
| Profit receivable on bank balance | 187 | 36 |

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