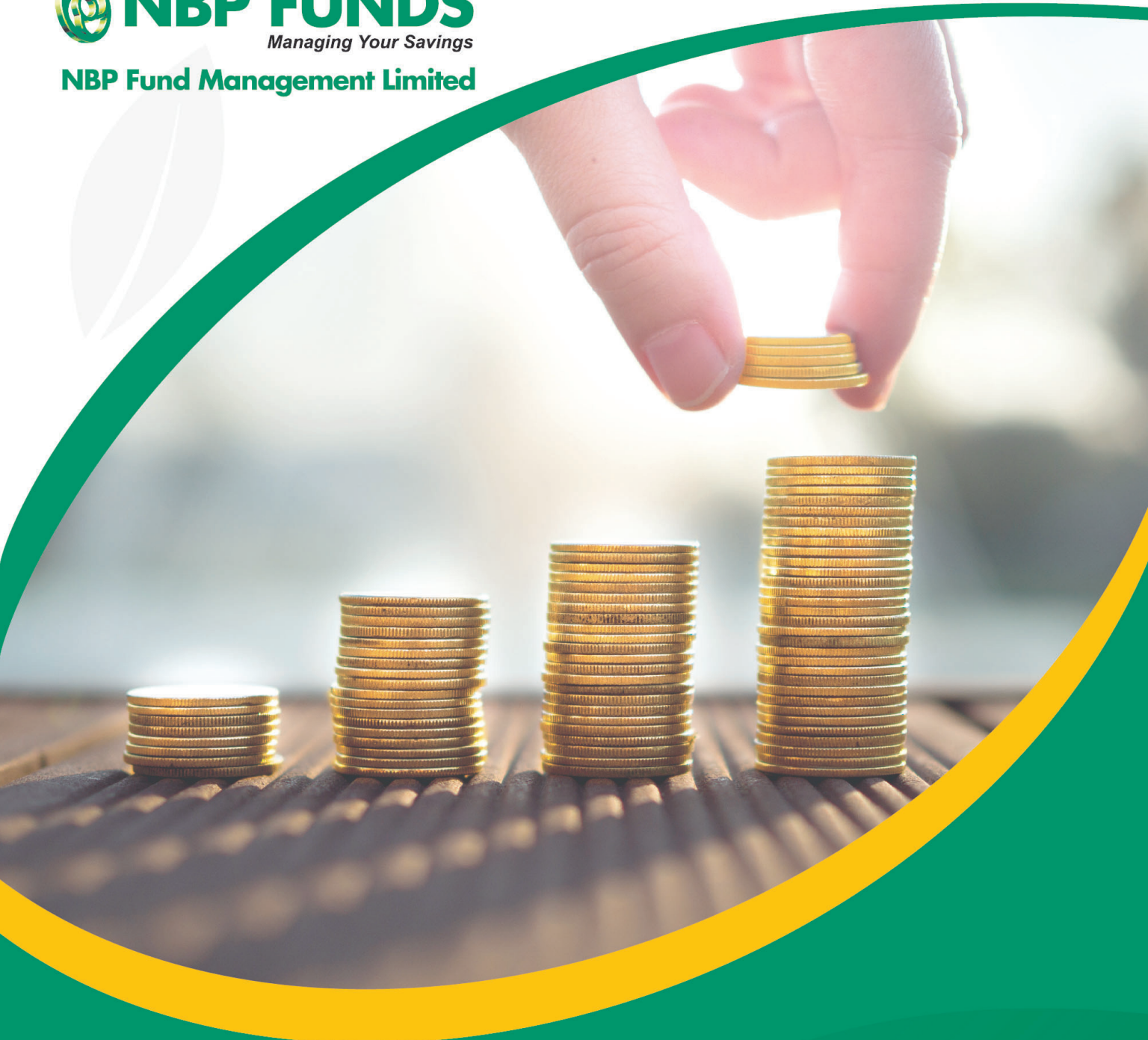




*Managing Your Savings*

**NBP Fund Management Limited**



# NBP FINANCIAL SECTOR FUND

**ANNUAL** REPORT  
JUNE 30, 2025

**AM1**  
Rated by PACRA

# **MISSION STATEMENT**

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

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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

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

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Zaheer Iqbal

### Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Umar Ahsan Khan	Member

### Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Faisal Ahmed	Member

### Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Faisal Ahmed	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	Member

### Trustee

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

### Bankers to the Fund

MCB Bank Limited  
JS Bank Limited  
Meezan Bank Limited  
Habib Bank Limited  
United Bank Limited  
Bank Al Habib Limited  
Allied Bank Limited  
Bankislami Pakistan Limited  
National Bank of Pakistan

## **Auditors**

A.F. Ferguson & Co. Chartered Accountants  
State Life Building No. 1-C  
I.I. Chundrigar Road,  
P.O.Box 4716  
Karachi.

## **Legal Advisor**

Akhund Forbes  
D-21, Block 4, Scheme 5,  
Clifton, Karachi 75600, Pakistan.

## **Head Office:**

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 021 (111-111-632),  
(Toll Free): 0800-20002,  
Fax: (021) 35825329  
Website: [www.nbpfunds.com](http://www.nbpfunds.com)

## **Lahore Office:**

7-Noon Avenue, Canal Bank,  
Muslim Town, Lahore.  
UAN: 042-111-111-632  
Fax: 92-42-35861095

## **Islamabad Office:**

1st Floor, Ranjha Arcade  
Main Double Road, Gulberg Greens,  
Islamabad.  
UAN: 051-111-111-632  
Fax: 051-4859031

## **Peshawar Office:**

Opposite Gul Haji Plaza, 2nd Floor  
National Bank Building  
University Road Peshawar,  
UAN: 091-111 111 632  
Fax: 091-5703202

## **Multan Office:**

Khan Center, 1st Floor,  
Abdali Road, Multan.  
Phone No. : 061-4540301-6, 061-4588661-2&4

## Board of Directors



**Dr. Amjad Waheed, CFA**  
Chief Executive Officer



**Shaikh Muhammad Abdul Wahid Sethi**  
Chairman



**Mr. Khalid Mansoor**  
Director



**Mr. Saad Amanullah Khan**  
Director



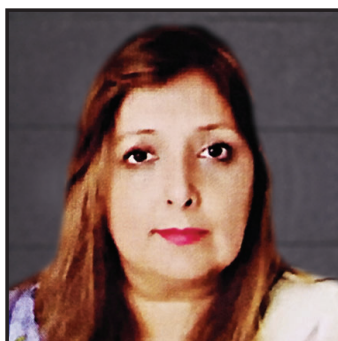
**Mr. Faisal Ahmed**  
Director



**Mr. Ali Saigol**  
Director



**Mr. Umar Ahsan Khan**  
Director



**Ms. Mehnaz Salar**  
Director



**Mr. Imran Zaffar**  
Director

## Senior Management



**Dr. Amjad Waheed, CFA**  
Chief Executive Officer



**Mr. Muhammad Murtaza Ali**  
Chief Operating Officer &  
Company Secretary



**Mr. Asim Wahab Khan, CFA**  
Chief Investment Officer



**Mr. Ozair Ali Khan**  
Chief Technology Officer



**Mr. Zaheer Iqbal, ACA FPFA**  
Chief Financial Officer



**Mr. Raza Jafri**  
Head of Portfolio &  
Investment Advisory



**Mr. Salman Ahmed, CFA**  
Head of Fixed Income



**Mr. Muhammad Umer Khan**  
Head of Human Resources &  
Administration



**Syed Sharoz Mazhar, CFA**  
Head of Business &  
Sales Strategy



**Mr. Hassan Raza, CFA**  
Head of Equity



**Mr. Waheed Abidi**  
Head of Internal Audit



**Mr. Mustafa Farooq**  
Head of Compliance,  
Risk & Legal



**Mr. Muhammad Waseem**  
Head of Research

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Eighth Annual Report for the year ended June 30, 2025, since launch of **NBP Financial Sector Fund (NFSF)** on February 14, 2018.

### Fund's Performance

Following an exceptional performance in FY24, the outgoing FY25 proved to be another remarkable year for Pakistan's equity market. The KSE-100 Index soared by 60%, surpassing the historic 100,000-point milestone for the first time and closed the year above 125,000. Notably, the index has delivered a cumulative return of 203% over the past two years.

Investor sentiment received a significant boost in July 2024 with the signing of a Staff-Level Agreement (SLA) between Pakistan and the IMF for a USD 7 billion Extended Fund Facility (EFF). The IMF program contributed to sustained improvements in macroeconomic indicators, prompting Fitch and Moody's to upgrade Pakistan's Long-Term Foreign-Currency Issuer Default Rating by one notch. Economic growth also gained traction, with GDP rising by 2.7%-up from 2.5% in the prior year. Inflation eased substantially, averaging 4.5% during FY25, primarily due to a sharp decline in food prices. In response, the central bank slashed the Policy Rate by 950 basis points to 11%.

Government bond yields fell markedly-short-term yields declined in the range of 7.8% to 9.0%, while long-term yields dropped by 1.4% to 5.9%. On the external front, the country recorded its first current account surplus in 13 years, amounting to USD 2.1 billion in FY25, largely driven by a 27% surge in workers' remittances. SBP actively purchased approximately USD 6.7 billion from the interbank foreign exchange market between July and April, helping to strengthen FX reserves by USD 5.1 billion during the fiscal year.

In a further boost, the World Bank approved Pakistan's inaugural 10-year Country Partnership Framework (CPF), committing nearly USD 20 billion-the largest pledge in the country's history. Despite a brief market pause due to global economic uncertainty stemming from high U.S. tariffs and geopolitical conflict with India, the market remained resilient and maintained its upward trajectory throughout the year.

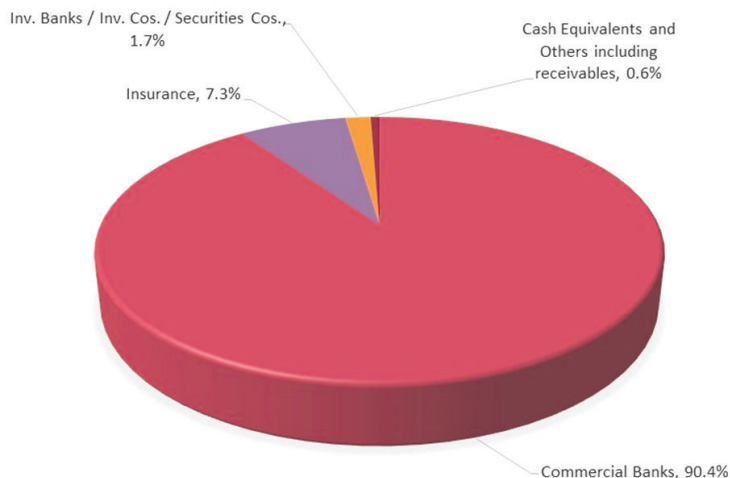
From a sectoral perspective, strong performances were seen in Cements, Fertilizers, Glass & Ceramics, Investment Companies, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing, Pharmaceuticals, Refineries, Sugar & Allied Industries, Textile Spinning, Transport, and Real Estate Investment. On the other hand, sectors such as Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Chemicals, Commercial Banks, Engineering, Food & Personal Care, Insurance, Leather & Tanneries, Paper & Board, Power Generation & Distribution, Textile Composite, Textile Weaving, and Tobacco underperformed.

In terms of market participation, Mutual Funds were the dominant net buyers with inflows totaling USD 233 million. Companies and Individual investors also recorded net inflows of USD 94 million and USD 68 million, respectively. In contrast, Foreign Investors reduced their exposure by approximately USD 304 million, primarily due to Pakistan being downgraded by FTSE from Emerging Market to Frontier Market status, triggering substantial foreign outflows during the review period.

During the fiscal year, NBP Financial Sector Fund (NFSF) increased by 61.8% return as against the KSE-30 Total Return Index increased by 64.2%, underperforming the benchmark by 2.4% during the year. The Fund underperformed as the fund was overweight in select Commercial Banks and Insurance sectors stocks which underperformed the market. Since inception (February 14, 2018), NBP Financial Sector Fund has increased by 212.5%, whereas the KSE-30 Total Return Index has increased by 223.7%, thus to date underperformance is 11.2%. This underperformance is net of management fee and all other expenses. The Fund size is 325 mln as of June 30, 2025.

NBP Financial Sector Fund has earned a total income of Rs. 121.57 million during the year. After deducting total expenses of Rs. 11.32 million, the net income is Rs. 110.25 million. During the year, the unit price of NBP Financial Sector Fund has increased from Rs. 13.4973 (Ex-Div) on June 30, 2024 to Rs. 15.7174 on June 30, 2025. The resultant per unit gain is Rs. 2.2201 (61.8%).

The asset allocation of NBP Financial Sector Fund as on June 30, 2025 is as follows:



## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 43.300% of the opening ex-NAV (58.443% of the par value) during the year ended June 30, 2025.

## Taxation

As the above cash dividend is more than 90 of the income earned during the year, as reduced by accumulated losses and capital gains, whether realized or unrealized, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

## Auditors

The present auditors, Messrs A.F. Ferguson & Co., Chartered Accountants, retired and, being eligible, offer themselves for re-appointment for the year ending June 30, 2026.

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

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.

8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held eight meetings during the year. The attendance of all directors is disclosed in the note 25 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 24 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 17 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2025, the Board included:

Category	Names
<b>Independent Directors</b>	<ol style="list-style-type: none"> <li>1. Mr. Khalid Mansoor</li> <li>2. Mr. Saad Amanullah Khan</li> <li>3. Mr. Umar Ahsan Khan</li> </ol>
<b>Executive Director</b>	Dr. Amjad Waheed - Chief Executive Officer
<b>Non-Executive Directors</b>	<ol style="list-style-type: none"> <li>1. Shaikh Muhammad Abdul Wahid Sethi (Chairman)</li> <li>2. Mr. Faisal Ahmed</li> <li>3. Ms. Mehnaz Salar</li> <li>4. Mr. Ali Saigol</li> <li>5. Mr. Imran Zaffar</li> </ol>

## 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: August 21, 2025  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنے آغاز 14 فروری 2018 سے NBP فنانشل سیکٹرز فنڈ کی آٹھویں سالانہ رپورٹ برائے مختتمہ سال 30 جون 2025ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### فنڈ کی کارکردگی

مالی سال 24 کے غیر معمولی فوائد کی بنیاد پر پاکستان کی معیشت اور کیمپل مارکیٹس کے لیے مالی سال 25 ایک اور تاریخی سال ثابت ہوا۔ KSE-100 انڈیکس 60% بڑھ گیا، پہلی بار تاریخی سطح 100,000 پوائنٹ کی حد کو عبور کرتے ہوئے 125,000 سے زائد پر بند ہوا، جس کے نتیجے میں دو سالہ غیر معمولی مجموعی ریٹرن 203% حاصل ہوا۔

جولائی 2024 میں پاکستان اور آئی ایم ایف کے درمیان 7 ارب ڈالر کے ایکٹیو ڈیفنڈ فیسلٹی (EFF) کے تحت اسٹاف لیول ایگریمنٹ (SLA) پر دستخط ہونے کے بعد سرمایہ کاروں کا اعتماد نمایاں طور پر بڑھا۔ آئی ایم ایف پروگرام نے معاشی اشاریوں میں مسلسل بہتری میں اہم کردار ادا کیا، جس کے نتیجے میں فنڈ اور موڈیز نے پاکستان کی طویل المدتی غیر ملکی کرنسی کے قرضوں کی درجہ بندی میں ایک درجہ اضافہ کیا۔ معاشی ترقی میں بھی بہتری آئی، اور جی ڈی پی میں 2.7% اضافہ ہوا جو پچھلے سال کے 2.5% سے زیادہ ہے۔ مہنگائی میں واضح کمی آئی اور مالی سال 2025 میں اوسط 4.5% رہی، جس کی بنیادی وجہ ایشیائی خورد و نوش کی قیمتوں میں نمایاں کمی تھی۔ اس کے جواب میں، اسٹیٹ بینک نے پالیسی ریٹ میں 950 بیس پوائنٹس کی کٹوتی کرتے ہوئے شرح سود کو 11% تک کم کیا۔

حکومتی بانڈز کے شرح منافع میں نمایاں کمی واقع ہوئی۔ مختصر مدتی بانڈز کی شرح منافع 7.8% سے 9.0% تک کم ہوئیں، جبکہ طویل مدتی شرح منافع میں 1.4% سے 5.9% تک کمی آئی۔ بیرونی محاذ پر، ملک نے 13 برس بعد کرنٹ اکاؤنٹ سرپلس ریکارڈ کیا جو مالی سال 2025 میں 2.1 ارب ڈالر رہا، جس کی بڑی وجہ ترسیلات زر میں 27% کا اضافہ تھا۔ اسٹیٹ بینک نے جولائی تا اپریل کے دوران انٹرنیشنل فارن ایکسچینج مارکیٹ سے تقریباً 6.7 ارب ڈالر خریدے، جس سے زرمبادلہ کے ذخائر میں سال بھر کے دوران 15.1 ارب ڈالر کا اضافہ ہوا۔

مزید برآں، ورلڈ بینک نے پاکستان کے پہلے 10 سالہ کنٹری پارٹنرشپ فریم ورک (CPF) کی منظوری دی، جس کے تحت تقریباً 20 ارب ڈالر کی تاریخی کمینٹ کی گئی۔ اگرچہ امریکی محصولات میں اضافہ اور بھارت کے ساتھ جغرافیائی تنازع کے باعث عالمی معاشی غیر یقینی صورتحال کے دوران مارکیٹ میں ایک مختصر وقفہ آیا، تاہم مارکیٹ نے اپنی لچک برقرار رکھی اور پورے سال مثبت سمت میں آگے بڑھتی رہی۔

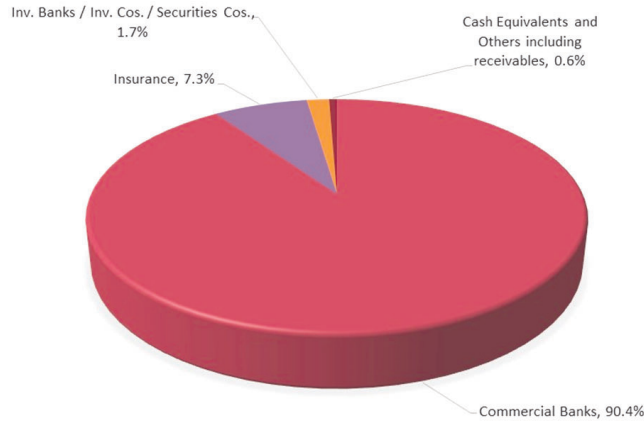
سیکٹرز کی کارکردگی کے لحاظ سے، سیمنٹ، فرٹیلائزرز، گلاس اینڈ سیرامکس، انویسٹمنٹ کمپنیاں، متفرق، آئل اینڈ گیس ایکسپلوریشن، آئل اینڈ گیس مارکیٹنگ، فارماسیوٹیکلز، ریٹائرمنٹ، شوگر اینڈ الائیڈ انڈسٹریز، ٹیکسٹائل اسپننگ، ٹرانسپورٹ اور ریل اسٹیٹ انویسٹمنٹ جیسے شعبوں نے شاندار کارکردگی دکھائی۔ اس کے برعکس، آٹو اسمبلرز، آٹو پارٹس اینڈ ایکسیسریز، کیمبل اینڈ ایکٹریبل گڈز، کیمیکلز، کمرشل بینکنگ، انجینئرنگ، فوڈ اینڈ پوسٹل کیمر، انشورنس، لیڈر اینڈ ٹیکسٹائل، پیپرائنڈیورڈ، پاور جنریشن اینڈ ڈسٹری بیوشن، ٹیکسٹائل کمپوزٹ، ٹیکسٹائل ویونگ اور ٹوٹو کے شعبے نے مارکیٹ سے اتر کارکردگی کا مظاہرہ کیا۔

مارکیٹ میں شمولیت کے لحاظ سے، میویچل فنڈز سب سے بڑے خالص خریدار رہے جن کی سرمایہ کاری کا حجم 233 ملین ڈالر ریکارڈ کیا گیا۔ کمپنیوں اور انفرادی سرمایہ کاروں نے بھی بالترتیب 94 ملین ڈالر اور 68 ملین ڈالر کی خالص سرمایہ کاری ریکارڈ کی۔ اس کے برعکس، غیر ملکی سرمایہ کاروں نے تقریباً 304 ملین ڈالر کی سرمایہ کاری کی، جس کی بنیاد وجہ پاکستان کو ایف ٹی ای (FTSE) کی جانب سے ایمرنگ مارکیٹ سے فرنٹیر مارکیٹ میں تنزلی تھی، جس نے اس عرصے کے دوران نمایاں غیر ملکی اخلا کو جنم دیا۔

مالی سال کے دوران، NBP فنانشل سیکٹرز فنڈ کو KSE-30 کل ریٹرن انڈیکس میں 64.2 فیصد اضافہ کے مقابلے میں 61.8 فیصد ریٹرن کا اضافہ ہوا، جو سال کے دوران 2.4 فیصد بچ مارک کی اتر کارکردگی کا مظاہرہ کیا۔ فنڈ نے اتر کارکردگی کا مظاہرہ کیا کیونکہ فنڈ نے منتخب کمرشل بینکوں اور انشورنس سیکٹرز کے سناک کو زیادہ اہمیت دی جس نے مارکیٹ میں اتر کارکردگی کا مظاہرہ کیا۔ اپنے آغاز (14 فروری 2018) سے، NBP فنانشل سیکٹرز فنڈ میں 212.5 فیصد کا اضافہ ہوا، جبکہ KSE-30 کل انڈیکس ریٹرن میں 223.7 فیصد کا اضافہ ہوا، لہذا آج تک اتر کارکردگی 11.2 فیصد ہے۔ یہ اتر کارکردگی مینجمنٹ فیس اور تمام دیگر اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 30 جون 2025 کے مطابق 325 ملین ہے۔

NBP فنانشل سیکٹرز فنڈ کو سال کے دوران 121.57 ملین روپے کی مجموعی آمدنی ہوئی۔ 11.32 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد، خالص آمدنی 110.25 ملین روپے ہے۔ سال کے دوران NBP فنانشل سیکٹرز فنڈ کے پونٹ کی قیمت 30 جون 2024 کو 13.4973 (Ex-Div) روپے سیڑھ کر 30 جون 2025 کو 15.7174 روپے ہو گئی۔ جس کے نتیجے میں نی پونٹ اضافہ 2.2201 روپے (61.8%) ہے۔

30 جون 2025 کے مطابق NBP فنانشل سیکٹرز فنڈ کی ایٹ ایبلویشن حسب ذیل ہے:



## آمدنی کی تقسیم

منجھٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2025ء کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 43.300 فیصد (بنیادی قدر 58.443%) کے عبوری نقد منافع کی منظوری دی ہے۔

## ٹیکسیشن

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر ایکس آر ڈینس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

## آڈیٹرز

موجودہ آڈیٹرز، میسرز ایف فرگن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2026 کو ختم ہونے والے سال کے لئے اپنے آپ کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

## لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں شامل بہترین عوامل کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

1. منجھٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تیریلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیمبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران منجھٹ کمپنی کے بورڈ آف ڈائریکٹرز کے آٹھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 23 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 17 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی متاثری انٹریسٹ نہیں رکھتی۔ 30 جون 2025 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

نام	کیتگری
<ul style="list-style-type: none"> <li>•1 جناب خالد منصور</li> <li>•2 جناب سعد امان اللہ خان</li> <li>•3 جناب عمر احسن خان</li> </ul>	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
<ul style="list-style-type: none"> <li>•1 شیخ محمد عبدالواحد سیٹھی (چیئر مین)</li> <li>•2 جناب فیصل احمد</li> <li>•3 محترمہ مہناز سالار</li> <li>•4 جناب علی سیگل</li> <li>•5 جناب عمران ظفر</li> </ul>	نان ایگزیکٹو ڈائریکٹرز

## اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میجمنٹ 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 رٹرنی 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 فنانس میجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 21 اگست 2025ء

مقام: کراچی

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Financial Sector Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 29, 2025

## FUND MANAGER REPORT

### NBP Financial Sector Fund

NBP Financial Sector Fund is an Open-ended Equity Fund.

### Investment Objective of 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.

### Benchmark

The Benchmark of the Fund is KSE-30 Index. (Total Return Index)

### Fund performance review

This is the Eighth annual report. During the fiscal year, NBP Financial Sector Fund (NFSF) increased by 61.8% return as against the KSE-30 Total Return Index increased by 64.2%, underperforming the benchmark by 2.4% during the year. Since inception (February 14, 2018), NBP Financial Sector Fund has increased by 212.5%, whereas the KSE-30 Total Return Index has increased by 223.7%, thus to date underperformance is 11.2%. This underperformance is net of management fee and all other expenses. The Fund size is 325 mln as of June 30, 2025.

NFSF underperformed as the fund was overweight in select Commercial Banks and Insurance sectors stocks which underperformed the market.

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

**NFSF Performance vs. Benchmark during FY25**



Following an exceptional performance in FY24, the outgoing FY25 proved to be another remarkable year for Pakistan's equity market. The KSE-100 Index soared by 60%, surpassing the historic 100,000-point milestone for the first time and closed the year above 125,000. Notably, the index has delivered a cumulative return of 203% over the past two years.

Investor sentiment received a significant boost in July 2024 with the signing of a Staff-Level Agreement (SLA) between Pakistan and the IMF for a USD 7 billion Extended Fund Facility (EFF). The IMF program contributed to sustained improvements in macroeconomic indicators, prompting Fitch and Moody's to upgrade Pakistan's Long-Term Foreign-Currency Issuer Default Rating by one notch. Economic growth also gained traction, with GDP rising by 2.7%-up from 2.5% in the prior year. Inflation eased substantially, averaging 4.5% during FY25, primarily due to a sharp decline in food prices. In response, the central bank slashed the Policy Rate by 950 basis points to 11%.

Government bond yields fell markedly-short-term yields declined in the range of 7.8% to 9.0%, while long-term yields dropped by 1.4% to 5.9%. On the external front, the country recorded its first current account surplus in 13 years, amounting to USD 2.1 billion in FY25, largely driven by a 27% surge in workers' remittances. SBP actively purchased approximately USD 6.7 billion from the interbank foreign exchange market between July and April, helping to strengthen FX reserves by USD 5.1 billion during the fiscal year.

In a further boost, the World Bank approved Pakistan's inaugural 10-year Country Partnership Framework (CPF), committing nearly USD 20 billion-the largest pledge in the country's history. Despite a brief market pause due to global economic uncertainty stemming from high U.S. tariffs and geopolitical conflict with India, the market remained resilient and maintained its upward trajectory throughout the year.

From a sectoral perspective, strong performances were seen in Cements, Fertilizers, Glass & Ceramics, Investment Companies, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing, Pharmaceuticals, Refineries, Sugar & Allied Industries, Textile Spinning, Transport, and Real Estate Investment. On the other hand, sectors such as Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Chemicals, Commercial Banks, Engineering, Food & Personal Care, Insurance, Leather & Tanneries, Paper & Board, Power Generation & Distribution, Textile Composite, Textile Weaving, and Tobacco underperformed.

In terms of market participation, Mutual Funds were the dominant net buyers with inflows totaling USD 233 million. Companies and Individual investors also recorded net inflows of USD 94 million and USD 68 million, respectively. In contrast, Foreign Investors reduced their exposure by approximately USD 304 million, primarily due to Pakistan being downgraded by FTSE from Emerging Market to Frontier Market status, triggering substantial foreign outflows during the review period.

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

## Asset Allocation of the Fund (% of NAV)

Particulars	30-Jun-25	30-Jun-24
Equities / Stocks	99.4%	94.6%
Cash Equivalents	67.8%	11.5%
Other Net Liabilities	(67.2%)	(6.1%)
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Distribution for the Financial Year 2025

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
June - 25	58.44%	20.8645	15.0202

## Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	70
1-1000	254
1001-5000	41
5001-10000	27
10001-50000	42
50001-100000	19
100001-500000	22
500001-1000000	2
1000001-5000000	8
<b>Total</b>	<b>485</b>

## During the period under question

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

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Financial Sector Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of NBP Financial Sector Fund (the Fund / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Net Asset Value (NAV)</b> (Refer notes 4 and 5 to the financial statements)</p> <p>Bank balances and investments constitute the most significant component of the net asset value. The bank balances of the fund as at June 30, 2025 aggregated to Rs. 220.228 million and investments amounted to Rs. 322.921 million.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2025 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2025 and traced them to the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> <li>• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>• Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

## Other Matter

The financial statements of the Fund for the year ended June 30, 2024 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated October 30, 2024.

## Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- b) proper books and records have been kept by the Collective Investment Scheme and the financial statements prepared are in agreement with the books and records of the Collective Investment Scheme; and
- c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

**A.F. Ferguson & Co.**  
**Chartered Accountants**  
Karachi

**Dated:** September 04, 2025

**UDIN:** AR202510061PgdXuUFjV

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 -----
<b>Assets</b>			
Bank balances	4	220,228	27,925
Investments	5	322,921	229,671
Dividend and profit receivable	6	716	290
Advances and deposits	7	2,948	2,948
Receivable against conversion of units		108,935	10
Receivable against sale of investments		25,097	-
<b>Total assets</b>		<b>680,845</b>	<b>260,844</b>
<b>Liabilities</b>			
Payable to NBP Fund Management Limited - Management Company	8	1,345	2,056
Payable to Central Depository Company of Pakistan Limited - Trustee	9	67	41
Payable to Securities and Exchange Commission of Pakistan	10	27	17
Accrued expenses and other liabilities	11	9,088	5,272
Payable against purchase of investments		-	10,015
Payable against conversion and redemption of units		345,630	740
<b>Total liabilities</b>		<b>356,157</b>	<b>18,141</b>
<b>Net assets</b>		<b>324,688</b>	<b>242,703</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>324,688</b>	<b>242,703</b>
<b>Contingencies and commitments</b>	12		
----- Number of units -----			
<b>Number of units in issue</b>	13	<b>20,657,938</b>	<b>17,981,593</b>
----- Rupees -----			
<b>Net asset value per unit</b>		<b>15.7174</b>	<b>13.4973</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 -----
<b>Income</b>			
Profit on bank balances		2,471	2,447
Dividend income		29,792	31,401
Net realised gain on sale of investment		72,198	55,333
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.2	17,109	38,753
<b>Total income</b>		<u>121,570</u>	<u>127,934</u>
<b>Expenses</b>			
Remuneration of NBP Fund Management Limited - Management Company	8.1	4,151	2,590
Sindh sales tax on remuneration of Management Company	8.2	623	337
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	553	345
Sindh sales tax on remuneration of Trustee	9.2	83	45
Annual fee - Securities and Exchange Commission of Pakistan	10.1	263	164
Securities transaction cost		3,895	1,511
Auditors' remuneration	14	855	1,074
Annual listing fee		31	31
Printing charges		18	40
Professional charges		146	207
Settlement and bank charges		704	440
<b>Total expenses</b>		<u>11,322</u>	<u>6,784</u>
<b>Net income for the year before taxation</b>		<u>110,248</u>	<u>121,150</u>
Taxation	15	-	-
<b>Net income for the year after taxation</b>		<u><u>110,248</u></u>	<u><u>121,150</u></u>
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		110,248	121,150
Income already paid on units redeemed		(44,650)	(44,569)
		<u>65,598</u>	<u>76,581</u>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		65,598	76,581
- Excluding capital gains		-	-
		<u>65,598</u>	<u>76,581</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
<b>Net income for the year after taxation</b>	110,248	121,150
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>110,248</u>	<u>121,150</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2025

	2025			2024		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	----- (Rupees in '000) -----					
<b>Net assets at the beginning of the year</b>	490,256	(247,553)	242,703	378,750	(285,838)	92,912
Issuance of 100,161,303 units (2024: 47,164,757 units)						
- Capital value (at net assets value per unit at the beginning of the year)	1,351,907	-	1,351,907	367,418	-	367,418
- Element of income	495,451	-	495,451	317,135	-	317,135
<b>Total proceeds on issuance of units</b>	1,847,358	-	1,847,358	684,553	-	684,553
Redemption of 97,484,958 units (2024: 41,110,202 units)						
- Capital value (at net assets value per unit at the beginning of the year)	(1,315,784)	-	(1,315,784)	(320,253)	-	(320,253)
- Element of loss	(425,937)	(44,650)	(470,587)	(222,814)	(44,569)	(267,383)
<b>Total payments on redemption of units</b>	(1,741,721)	(44,650)	(1,786,371)	(543,067)	(44,569)	(587,636)
Total comprehensive income for the year	-	110,248	110,248	-	121,150	121,150
Refund of capital for the year ended June 30, 2025	(32,363)	-	(32,363)	(29,980)	-	(29,980)
Distribution during the year @ Rs. 5.8443 per unit declared on June 27, 2025 (2024: Rs. 5.1393 per unit declared on June 28, 2024)	-	(56,887)	(56,887)	-	(38,296)	(38,296)
	(32,363)	53,361	20,998	(29,980)	82,854	52,874
<b>Net assets at the end of the year</b>	<b>563,530</b>	<b>(238,842)</b>	<b>324,688</b>	<b>490,256</b>	<b>(247,553)</b>	<b>242,703</b>
<b>Accumulated losses brought forward</b>						
- Realised loss		(286,306)			(269,887)	
- Unrealised gain / (loss)		38,753			(15,951)	
		<u>(247,553)</u>			<u>(285,838)</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		65,598			76,581	
- Excluding capital gains		-			-	
		<u>65,598</u>			<u>76,581</u>	
Distribution during the year @ Rs. 5.8443 per unit declared on June 27, 2025 (2024: Rs. 5.1393 per unit declared on June 28, 2024)		(56,887)			(38,296)	
		<u>(56,887)</u>			<u>(38,296)</u>	
<b>Accumulated losses carried forward</b>		<b>(238,842)</b>			<b>(247,553)</b>	
<b>Accumulated losses carried forward</b>						
- Realised loss		(255,951)			(286,306)	
- Unrealised gain		17,109			38,753	
		<u>(238,842)</u>			<u>(247,553)</u>	
				<b>(Rupees)</b>		<b>(Rupees)</b>
Net assets value per unit at the beginning of the year				<u>13.4973</u>		<u>7.7901</u>
Net assets value per unit at the end of the year				<u>15.7174</u>		<u>13.4973</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Note	----- (Rupees in '000) -----	-----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	110,248	121,150
<b>Adjustments for:</b>		
Profit on bank balances	(2,471)	(2,477)
Dividend income	(29,792)	(31,401)
Net realised gain on sale of investment	(72,198)	(55,333)
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.2 (17,109)	(38,753)
	(121,570)	(127,964)
	(11,322)	(6,814)
<b>Increase in assets</b>		
Investments - net	(39,055)	(30,273)
	(39,055)	(30,273)
<b>(Increase) / decrease in liabilities</b>		
Payable to NBP Fund Management Limited - Management Company	(711)	840
Payable to Central Depository Company of Pakistan Limited - Trustee	26	8
Payable to Securities and Exchange Commission of Pakistan	10	(46)
Accrued expenses and other liabilities	3,816	4,605
	3,141	5,407
Profit received on balances with banks	2,045	2,582
Dividend received	29,792	31,401
	(15,399)	2,303
<b>Net cash (used in) / generated from operating activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units - net of refund of capital	1,706,070	654,563
Amount paid on redemption of units	(1,441,481)	(595,844)
Cash dividend paid	(56,887)	(38,296)
<b>Net cash generated from financing activities</b>	207,702	20,423
	192,303	22,726
<b>Net increase in cash and cash equivalents during the year</b>	27,925	5,199
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>	4.2 220,228	27,925

The annexed notes from 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Financial Sector 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 Central Depository Company of Pakistan Limited (CDC) as the Trustee on January 9, 2018. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 4, 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 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 Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trusts Act. Accordingly, on October 26, 2021 the above-mentioned Trust Deed was registered under the Sindh Trusts Act.
- 1.3 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 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).
- 1.4 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 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 7, 2018 and are transferable and redeemable by surrendering them to the Fund.
- 1.5 The objective of the 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.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of AM1 as at May 05, 2025 (2024: AM1 on June 21, 2024) to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund is not rated.
- 1.7 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.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

## **2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these financial statements.

## **2.3 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective**

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2025. However, these are not considered to be relevant or will not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

## **2.4 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.1 and 5).

## **2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 22.

## **2.6 Functional and presentation currency**

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

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 3.1 Financial assets

#### 3.1.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

#### 3.1.2 Classification and subsequent measurement

##### 3.1.2.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the 'Statement of Assets and Liabilities' at fair value, with gains and losses recognised in the 'Income Statement', except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

##### 3.1.2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at amortised cost.

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

##### 3.1.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

## 3.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

## 3.1.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the 'Income Statement'.

## 3.2 Financial liabilities

### 3.2.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

### 3.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

## 3.3 Offsetting of financial assets and financial liabilities

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

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

## 3.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

## 3.5 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

## 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as at the close of the business day, plus the allowable sales load, provision of any duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

### 3.7 Distributions to unit holders

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

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

### 3.8 Element of income / (losses) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting year. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which they arise;
- Profit on saving accounts with banks is recognised on an time proportion basis using the effective yield method; and
- Dividend income is recognised when the right to receive the dividend is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

### 3.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee and fee of SECP are recognised in the Income Statement on an accrual basis.

### 3.11 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 its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4	BANK BALANCES	Note	2025 ----- (Rupees in '000) -----	2024
	Balances with banks in:			
	Current accounts		503	-
	Saving accounts	4.1	<u>219,725</u>	<u>27,925</u>
			<u>220,228</u>	<u>27,925</u>

- 4.1 These include a balances of Rs. 0.727 million (2024: Rs. 0.099 million) maintained with National Bank of Pakistan (related party) that carry profit at the rate of 6% per annum (2024: 10.00% per annum). Other savings accounts of the Fund carry profit rates ranging from 0.1% to 11% per annum (2024: 18.50% to 21.75% per annum).

4.2 Cash and cash equivalents	Note	2025	2024
		----- (Rupees in '000) -----	
Balances with banks	4	<u>220,228</u>	<u>27,925</u>
<b>5 INVESTMENTS</b>			
<b>Financial asset at fair value through profit or loss</b>			
Investments in equity securities - listed	5.1	<u>322,921</u>	<u>229,671</u>

## 5.1 Investments in equity securities - listed

Name of the investee company	As at July 1, 2024	Purchases during the year	Sales during the year	As at June 30, 2025	Market value as at June 30, 2025	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Net assets of the Fund	Total investments of the Fund	
----- Number of shares held ----- % -----								
<b>Insurance</b>								
IGI Holdings Limited	121,200	239,600	296,953	63,847	13,124	4.04	4.06	0.92
Adamjee Insurance Company Limited	106,000	498,322	538,660	65,662	3,284	1.01	1.02	0.09
Jubilee General Insurance Company Limited	-	185,000	135,500	49,500	2,948	0.91	0.91	0.15
Pakistan Reinsurance Company Limited	-	942,000	630,000	312,000	4,281	1.32	1.33	0.05
	<u>227,200</u>	<u>1,864,922</u>	<u>1,601,113</u>	<u>491,009</u>	<u>23,637</u>	<u>7.28</u>	<u>7.32</u>	
<b>Commercial Banks</b>								
Allied Bank Limited	109,253	542,999	481,100	171,152	24,132	7.43	7.47	0.21
Askari Bank Limited	649,625	3,768,600	3,250,000	1,168,225	57,593	17.74	17.84	0.40
Bank Alfalah Limited (note 5.1.2)	479,823	1,412,500	1,520,811	371,512	29,810	9.18	9.23	0.19
Bank Al Habib Limited (note 5.1.2)	210,200	524,258	597,400	137,058	21,625	6.66	6.70	0.19
Bank of Punjab (note 5.1.2)	13,219	2,562,500	1,813,500	762,219	7,889	2.43	2.44	0.02
Faysal Bank Limited (note 5.1.4)	332,175	112,000	425,800	18,375	1,281	0.39	0.40	0.01
MCB Bank Limited	154,101	585,303	578,163	161,241	46,492	14.32	14.40	0.39
Meezan Bank Limited (note 5.1.2)	85,772	309,603	351,200	44,175	14,668	4.52	4.54	0.08
National Bank of Pakistan - related party	314,600	544,200	779,000	79,800	8,673	2.67	2.69	0.04
Soneri Bank Limited *	212,000	572,000	783,100	900	16	-	-	-
United Bank Limited (note 5.1.1, 5.1.2 and 5.1.3)	18,659	302,859	238,400	83,118	22,936	7.06	7.10	0.18
Habib Metropolitan Bank Limited	149,900	826,500	666,000	310,400	30,705	9.46	9.51	0.29
Habib Bank Limited (note 5.1.2)	204,884	566,600	616,200	155,284	27,825	8.57	8.62	0.19
	<u>2,934,211</u>	<u>12,629,922</u>	<u>12,100,674</u>	<u>3,463,459</u>	<u>293,648</u>	<u>90.44</u>	<u>90.93</u>	
<b>Inv.Banks / Inv.Cos / Securities COS</b>								
Pakistan Stock Exchange Limited	-	733,000	531,500	201,500	5,636	1.74	1.75	0.07
	<u>-</u>	<u>733,000</u>	<u>531,500</u>	<u>201,500</u>	<u>5,636</u>	<u>1.74</u>	<u>1.75</u>	
<b>Total as at June 30, 2025</b>					<u>322,921</u>	<u>99.45</u>	<u>99.99</u>	
<b>Carrying value as at June 30, 2025</b>					<u>305,812</u>			
Market value as at June 30, 2024					<u>229,671</u>			
Carrying value as at June 30, 2024					<u>190,918</u>			

\* Nil due to rounding off

- 5.1.1** All shares have a nominal value of Rs. 10 each except for the shares of United Bank Limited which have a nominal value of Rs. 5 each.
- 5.1.2** Investments include shares with market value of Rs. 60.491 million (2024: Rs. 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.
- 5.1.3** During the year, United Bank Limited (UBL), pursuant to a resolution passed by its shareholders in the Extraordinary General Meeting held on May 16, 2025, approved the subdivision of the face value of its ordinary shares from Rs. 10 per share to Rs. 5 per share.

As a result of the share subdivision, the Fund received additional 66,459 sub-divided ordinary shares of United Bank Limited having face value of Rs. 5 each (UBL) in lieu of 66,459 ordinary shares previously held with a face value of Rs. 10 each.

- 5.1.4** The Finance Act, 2023 had introduced Section 236Z of the Income Tax Ordinance, 2001 (ITO) effective from July 1, 2023, which mandates listed companies to withhold ten percent shares out of bonus shares issued to the Fund. The share so withheld are to be released if the Fund deposits tax equivalent to ten percent of the value of bonus share issues to the Fund. Such tax is to be deposited within fifteen days of the book closure of the respective dividend. In case of failure of the Fund to pay, the issuer company is liable to pay the tax and dispose of the bonus shares to recover the amount paid.

In this regard, a petition was filed by the Collective Investment Schemes (CISs) through their Trustees in the Sindh High Court (SHC), challenging the applicability of withholding tax provisions on bonus shares received by CIS. The petition is based on the grounds that since the CISs are exempt from levy of income tax in terms of 99 of Part-I of the Second Schedule to the ITO, no tax is payable by the Fund under Section 236Z of the ITO. During the current year, the Sindh High Court (SHC) has issued notices to the relevant parties and ordered to retain the bonus shares being withheld and no tax shall be paid under section 236Z of the ITO till further orders by SHC. The matter is still pending adjudication and the Fund has included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

As at June 30, 2025 the following bonus shares of the Fund have been withheld at the time of declaration of bonus shares.

Name of the investee company	2025		2024	
	Bonus shares			
	Number of shares withheld	Market value as at June 30, 2025	Number of shares withheld	Market value as at June 30, 2024
	Rupees in '000'		Rupees in '000'	
Faysal Bank Limited	14,494	1,011	14,494	760

<b>5.2</b>	<b>Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
			<b>----- (Rupees in '000) -----</b>	
	Market value of investments	5.1	322,921	229,671
	Less: carrying value of investments	5.1	(305,812)	(190,918)
			<u>17,109</u>	<u>38,753</u>
<b>6</b>	<b>DIVIDEND AND PROFIT RECEIVABLE</b>			
	Profit receivable on bank balances		633	207
	Dividend receivable		83	83
			<u>716</u>	<u>290</u>

		2025	2024
	Note	----- (Rupees in '000) -----	-----
<b>7</b>	<b>ADVANCES AND DEPOSITS</b>		
	Advance tax	7.1	348
	Security deposits with:		
	- National Clearing Company of Pakistan Limited	2,500	2,500
	- Central Depository Company of Pakistan Limited	100	100
		<u>2,948</u>	<u>2,948</u>

- 7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 151 and 150. However, withholding taxes on dividends and profit on bank balances paid to the Fund have been deducted by various withholding agents based on the interpretation issued by the FBR vide letter C. No. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015, which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholders. The tax withheld on dividends and profit on bank balances as at June 30, 2025, amounted to Rs. 0.348 million (2024: Rs. 0.348 million).

For this purpose, Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding taxes deducted on profit on bank balances and dividend amount have been shown as advance tax as at June 30, 2025 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

		2025	2024
	Note	----- (Rupees in '000) -----	-----
<b>8</b>	<b>PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
	Management remuneration	8.1	435
	Sindh sales tax payable on management remuneration	8.2	65
	Sales load and transfer load payable	715	1,539
	Sindh sales tax payable on sales load and transfer load	109	200
	Alternative delivery channels charges payable including Sindh sales tax	21	-
		<u>1,345</u>	<u>2,056</u>

- 8.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.50% (2024: 1.50%) of average daily net assets.

During the year ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap up to 3% to be calculated on a per annum basis of the average daily net assets, applicable to an "Equity Scheme". This revision is effective from July 01, 2025. As at June 30, 2025 the Fund is not subject to a management fee cap.

- 8.2** Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of Management Company has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

9	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
	Trustee remuneration	9.1	58	36
	Sindh sales tax on Trustee remuneration	9.2	9	5
			<u>67</u>	<u>41</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, Trustee has charged its fee as follows:

Net assets (Rs.)	2025	2024
	Fee	
- up to Rs 1,000 million	0.20% per annum of average daily net assets	
- exceeding Rs 1,000 million	Rs. 2.0 million plus 0.10% per annum of average daily net assets, exceeding Rs 1,000 million	

9.2 Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of the Trustee has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

10	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
	Fee payable	10.1	<u>27</u>	<u>17</u>

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.095% per annum of the average daily net assets of the Fund, applicable to an "Equity Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.095% (2024: 0.095%) per annum of the daily net assets during the year. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

11	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
	Auditors' remuneration payable	595	552
	Printing charges payable	17	29
	Brokerage fee payable	2,008	81
	Professional charges payable	163	138
	Withholding tax payable	5,864	4,076
	Capital gain tax payable	390	392
	Bank charges payable	8	3
	Settlement charges payable	43	1
		<u>9,088</u>	<u>5,272</u>

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding at June 30, 2025 and June 30, 2024.

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, Trustee has charged its fee as follows:

	2025	2024
	----- (Number of units) -----	
<b>13 NUMBER OF UNITS IN ISSUE</b>		
Total units in issue at the beginning of the year	17,981,593	11,927,038
Add: units issued during the year	100,161,303	47,164,757
Less: units redeemed during the year	(97,484,958)	(41,110,202)
Total units in issue at the end of the year	<u>20,657,938</u>	<u>17,981,593</u>

	2025	2024
	----- (Rupees in '000) -----	
<b>14 AUDITORS' REMUNERATION</b>		
Annual audit fee	515	468
Half yearly review fee	206	188
Out of pocket expenses and Sindh sales tax	134	418
	<u>855</u>	<u>1,074</u>

## 15 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, 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 Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2025 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

## 16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 4.09% (2024: 3.93%) which includes government levies which is 0.53% (2024: 0.32%) such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

During the year ended June 30, 2025, the SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the TER limit with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 9.1 of these financial statements.

## 17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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.

Transactions with connected persons / related parties essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges. 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.

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

The details of significant transactions and balances with connected persons at year end except those disclosed elsewhere in these financial statements are as follows:

	2025	2024
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>Details of the transactions with related parties / connected persons during the year are as follows:</b>		
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of NBP Fund Management Limited - Management Company	4,151	2,590
Sindh sales tax on remuneration of Management Company	623	337
Sales load and transfer load payable	1,896	1,547
Sindh sales tax payable on sales load and transfer load	284	201
Units issued to unitholders on behalf of the Management Company	1,965	-
Alternative delivery channels charges including Sindh sales tax	38	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	553	345
Sindh sales tax on remuneration of Trustee	83	45
Settlement charges	4	2
<b>Employees of Management Company</b>		
Dividend re-invest: 3,276 units (2024: 56,055 units)	60	757
Units issued / transferred in during the year: 6,844,294 units (2024: 6,795,576 units)	110,889	88,016
Units redeemed / transferred out during the year: 7,438,105 units (2024: 6,162,473 units)	121,772	81,615
<b>National Bank of Pakistan - Parent Company***</b>		
Shares purchased: 544,200 shares (2024: 609,500 shares)	45,511	22,233
Shares sold: 779,000 shares (2024: 294,900 shares)	64,763	10,748
Dividend	990	-
<b>Taurus Securities Limited - Subsidiary of Parent Company</b>		
Brokerage expense	309	98
<b>Mahmud Yar Hiraj - unit holder with more than 10% holding**</b>		
Units issued / transferred in during the year: 537,753 units (2024: Nil)	8,312	-
<b>Portfolio managed by the Management Company</b>		
Dividend re-invest: 95 units (2024: Nil)	2	-
Units issued / transferred in during the year: 21 units (2024: Nil)	-	-
Units redeemed / transferred out during the year: Nil (2024: 616,188 units)	-	8,821
<b>Forman Christian College - unit holder with more than 10% holding**</b>		
Units issued / transferred in during the year: 585,039 units (2024: Nil)	9,043	-

Amounts / balances outstanding as at year end	2025	2024
	----- (Rupees in '000) -----	
<b>NBP Fund Management Limited - Management Company</b>		
Management remuneration	435	282
Sindh sales tax payable on management remuneration	65	35
Sales load and transfer load payable	715	1,539
Sindh sales tax payable on sales load and transfer load	109	200
Alternative delivery channels charges payable including Sindh sales tax	21	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	58	36
Sindh sales tax on Trustee remuneration payable	9	5
Security deposit held	100	100
Settlement charges payable	43	1
<b>Employees of the Management Company</b>		
Units held: 144,377 units (2024: 734,912 units)	2,269	9,919
<b>Syed Anis Ahmad Shah - unit holder with more than 10% holding*</b>		
Units held: Nil (2024: 2,149,230 units)	-	29,009
<b>Mahmud Yar Hiraj - unit holder with more than 10% holding**</b>		
Units held: 2,203,696 units (2024: Nil)	34,636	-
<b>Portfolio managed by the Management Company</b>		
Units held: 116 units (2024: Nil)	2	-
<b>Forman Christian College - unit holder with more than 10% holding**</b>		
Units held: 2,126,467 units (2024: Nil)	33,423	-
<b>National Bank of Pakistan - Parent Company***</b>		
Bank balances	727	99
Shares held: 79,800 shares (2024: 314,600 shares)	8,673	11,687
Dividend receivable	83	83
<b>Taurus Securities Limited - subsidiary of Parent Company</b>		
Brokerage payable	156	-

\* Current year figures has not been shown as the individual / company ceased to be a related party / connected person as at June 30, 2025.

\*\* Prior year comparative has not been shown as the individual / company was not a related party / connected person as at June 30, 2024.

\*\*\* These are transactions involving shares of related parties held as part of portfolio of the Fund.

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

June 30, 2025		
At amortised cost	At fair value through profit or loss	Total

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

### Financial assets

Bank balances	220,228	-	220,228
Investments	-	322,921	322,921
Dividend and profit receivable	716	-	716
Deposits	2,600	-	2,600
Receivable against conversion of units	108,935	-	108,935
Receivable against sale of investments	25,097	-	25,097
	<u>357,576</u>	<u>322,921</u>	<u>680,497</u>

### Financial liabilities

Payable to NBP Fund Management Limited - Management Company	1,345	-	1,345
Payable to Central Depository Company of Pakistan Limited - Trustee	67	-	67
Accrued expenses and other liabilities	2,834	-	2,834
Payable against conversion and redemption of units	345,630	-	345,630
	<u>349,876</u>	<u>-</u>	<u>349,876</u>

June 30, 2024		
At amortised cost	At fair value through profit or loss	Total

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

### Financial assets

Bank balances	27,925	-	27,925
Investments	-	229,671	229,671
Dividend and profit receivable	290	-	290
Deposits	2,600	-	2,600
Receivable against conversion of units	10	-	10
	<u>30,825</u>	<u>229,671</u>	<u>260,496</u>

### Financial liabilities

Payable to NBP Fund Management Limited - Management Company	2,056	-	2,056
Payable to Central Depository Company of Pakistan Limited - Trustee	41	-	41
Accrued expenses and other liabilities	804	-	804
Payable against purchase of investments	10,015	-	10,015
Payable against conversion and redemption of units	740	-	740
	<u>13,656</u>	<u>-</u>	<u>13,656</u>

## 19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

The Fund primarily invests in a portfolio of listed equity securities. Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to market risk, credit risk and liquidity risk.

## 19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / interest rate risk, currency risk, and price risk.

### (i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As at June 30, 2025, the Fund is exposed to such risk on its bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 2.197 million (2024: Rs. 0.279 million).

#### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2025, and June 30, 2024, the Fund does not hold any fixed rate instrument that may expose the Fund to fixed interest rate risk.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:

June 30, 2025					
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
%	----- (Rupees in '000) -----				
<b>Financial assets</b>					
Bank balances	219,725	-	-	503	220,228
Investments	-	-	-	322,921	322,921
Dividend and profit receivable	-	-	-	716	716
Deposits	-	-	-	2,600	2,600
Receivable against conversion of units	-	-	-	108,935	108,935
Receivable against sale of investments	-	-	-	25,097	25,097
	219,725	-	-	460,772	680,497
<b>Financial liabilities</b>					
Payable to NBP Fund Management Limited - Management Company	-	-	-	1,345	1,345
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	67	67
Accrued expenses and other liabilities	-	-	-	2,834	2,834
Payable against conversion and redemption of units	-	-	-	345,630	345,630
	-	-	-	349,876	349,876
<b>On-balance sheet gap</b>	219,725	-	-	110,896	330,621
<b>Total interest rate sensitivity gap</b>	219,725	-	-	-	-
<b>Cumulative interest rate sensitivity gap</b>	219,725	219,725	219,725		

June 30, 2024					
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
%	----- (Rupees in '000) -----				
<b>Financial assets</b>					
Bank balances	27,925	-	-	-	27,925
Investments	-	-	-	229,671	229,671
Dividend and profit receivable	-	-	-	290	290
Deposits	-	-	-	2,600	2,600
Receivable against conversion of units	-	-	-	10	10
	27,925	-	-	232,571	260,496
<b>Financial liabilities</b>					
Payable to NBP Fund Management Limited - Management Company	-	-	-	2,056	2,056
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	41	41
Accrued expenses and other liabilities	-	-	-	804	804
Payable against purchase of investments	-	-	-	10,015	10,015
Payable against conversion and redemption of units	-	-	-	740	740
	-	-	-	13,656	13,656
<b>On-balance sheet gap</b>	27,925	-	-	218,915	246,840
<b>Total interest rate sensitivity gap</b>	27,925	-	-		
<b>Cumulative interest rate sensitivity gap</b>	27,925	27,925	27,925		

## (ii) Currency risk

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

## (iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

The fund is exposed to equity price risk because of investments held by the Fund and classified on the Statement of Assets and Liabilities at fair value through profit and loss. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 5.1.

In case of 5% increase / decrease in KSE 100 index on June 30, 2025, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 16.146 million (2024: Rs 11.484 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets 'at fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

## 19.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its bank balances. Risks attributable to bank balances are managed by maintaining balances in banks with a reasonably high credit rating.

The analysis below summarises the credit quality of the Fund's bank balances. The bank ratings are based on Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited.

Bank balances and profit receivable thereon	2025	2024
	----- (Rupees in '000) -----	
AAA	10.41%	43.09%
AA-	89.37%	52.10%
AA	0.22%	4.81%
A+ *	-	-
	100.00%	100.00%

\* Nil due to rounding off

The maximum exposure to credit risk before any credit enhancement as at June 30, 2025 is the carrying amount of the financial assets.

### Concentration of the credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

### 19.3 Liquidity risk

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

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

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

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, liabilities that are payable on demand have been included in the maturity grouping of one month:

June 30, 2025						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- (Rupees in '000) -----						
Payable to NBP Fund Management Limited - Management Company	1,345	-	-	-	-	1,345
Payable to Central Depository Company of Pakistan - Trustee	67	-	-	-	-	67
Accrued expenses and other liabilities	2,239	595	-	-	-	2,834
Payable against conversion and redemption of units	345,630	-	-	-	-	345,630
	<u>349,281</u>	<u>595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,876</u>

June 30, 2024						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

(Rupees in '000)

## Financial liabilities

Payable to NBP Fund Management Limited - Management Company	2,056	-	-	-	-	-	2,056
Payable to Central Depository Company of Pakistan - Trustee	41	-	-	-	-	-	41
Accrued expenses and other liabilities	252	552	-	-	-	-	804
Payable against purchase of investments	10,015	-	-	-	-	-	10,015
Payable against conversion and redemption of units	740	-	-	-	-	-	740
	<u>13,104</u>	<u>552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,656</u>

## 20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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

In accordance with the risk management policies stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by short-term borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

## 21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

## 21.1 Fair value hierarchy

International Financial Reporting Standard 13 (IFRS 13), 'Fair Value Measurement' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2025 and June 30, 2024, the Fund held the following financial instruments measured at fair values:

----- 2025 -----			----- 2024 -----		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
----- (Rupees in 000) -----			----- (Rupees in 000) -----		

### Financial assets measured 'at fair value though profit or loss'

Listed equity securities	322,921	-	-	229,671	-	-
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Valuation techniques used in determination of fair values is as follows:

Item	Valuation technique
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.

There were no transfers between levels during the year.

## 22 LIST OF TOP 10 BROKERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

Name of broker	2025 % of commission paid	Name of broker	2024 % of commission paid
Taurus Securities Limited	9.12	Taurus Securities Limited	7.35
Arif Habib Limited	7.14	Alpha Capital (Private) Limited	6.44
DJM Securities Limited	5.00	Insight Securities (Private) Limited.	5.46
Insight Securities (Private) Limited.	4.97	Optimus Capital Management (Private) Limited	5.12
Sherman Securities (Private) Limited	4.89	Foundation Securities (Private) Limited	4.89
Optimus Capital Management (Private) Limited	4.73	Sherman Securities (Private) Limited	4.78
Alpha Capital (Private) Limited	4.61	Arif Habib Limited	4.05
Integrated Equities Limited	4.43	Alfalah Securities (Private) Limited	3.81
Foundation Securities (Private) Limited	4.42	BMA Capital Management Limited	3.77
J.S. Global Capital Limited	4.04	DJM Securities Limited	3.42

## 23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	37
Mr. Asim Wahab Khan (note 23.1)	Chief Investment Officer	CFA	19
Mr. Hassan Raza	Head of Research	ACCA / BSC / CFA	14

23.1 The name of the Fund Manager is Asim Wahab Khan. Other funds managed by the Fund Manager are as follows:

- NBP GoKP Pension Fund - Money Market Sub Fund
- NBP GoKP Islamic Pension Fund - Money Market Sub Fund
- NBP Stock Fund
- NBP Pakistan Growth Exchange Traded Fund
- NBP Islamic Energy Fund
- NBP Islamic Stock Fund
- NBP Sarmaya Izafa Fund
- NBP Balanced Fund
- NBP Islamic Sarmaya Izafa Fund
- NAFA Pension Fund
- NAFA Islamic Pension Fund

## 24 UNIT HOLDING PATTERN OF THE FUND

Category	June 30, 2025			June 30, 2024		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	473	195,343	60.16%	201	156,847	65%
Banks & Development						
Financial Institutions	1	1,404	0.43%	-	-	-
Retirement Funds	3	39,637	12.21%	2	24,673	10%
Others	8	88,304	27.20%	5	61,183	25%
	<b>485</b>	<b>324,688</b>	<b>100%</b>	<b>208</b>	<b>242,703</b>	<b>100%</b>

## 25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 98th, 99th, 100th, 101st, 102nd, 103rd, 104th, and 105th Board Meetings were held on July 26, 2024, August 23, 2024, September 25, 2024, October 24, 2024, October 30, 2024, November 06, 2024, February

26, 2025, and April 30, 2025, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of directors	Number of meetings			Meetings not attended
	Held during tenure of directorship	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	8	8	-	-
Tauqeer Mazhar*	1	1	-	-
Faisal Ahmed**	2	2	-	-
Mehnaz Salar	8	8	-	-
Ali Saigol	8	7	1	100th Meeting
Imran Zaffar	8	7	1	98th Meeting
Khalid Mansoor	8	8	-	-
Saad Amanullah Khan	8	8	-	-
Ruhail Muhammad***	6	6	-	-
Umar Ahsan Khan****	0	0	-	-
Amjad Waheed	8	8	-	-

\*Tauqeer Mazhar resigned from the Board on August 21, 2024.

\*\*Faisal Ahmed was appointed on the Board on August 23, 2024, and his approval was granted by the SECP on November 21, 2024.

\*\*\*Ruhail Muhammad resigned from the Board on December 16, 2024.

\*\*\*\*Umar Ahsan Khan was appointed on the Board on March 03, 2025 and his approval was granted by the SECP on May 16, 2025.

## 26 GENERAL

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

## 27 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

## 28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 21, 2025 by the Board of Directors of the Management Company.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

## PERFORMANCE TABLE

Particulars	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Net assets at the year / period ended (Rs '000)	324,688	242,703	92,912	372,496	445,185	578,397
Net income / (loss) for the year / period ended (Rs '000)	110,248	121,150	(22,322)	(35,787)	132,042	(110,486)
Net Asset Value per unit at the year / period ended (Rs)	15.7174	13.4973	7.7901	8.2214	8.9014	7.6489
Offer Price per unit	16.2597	13.9549	8.0542	8.5001	9.2032	7.9082
Redemption Price per unit	15.7174	13.4973	7.7901	8.2214	8.9014	7.6489
Ex - Highest offer price per unit (Rs.)	16.2597	14.3892	9.1691	10.3043	9.8414	11.3648
Ex - Lowest offer price per unit (Rs.)	10.1498	5.8326	7.4849	8.3498	7.5174	7.1211
Ex - Highest redemption price per unit (Rs.)	15.7174	13.9174	8.8685	9.9664	9.5188	10.9922
Ex - Lowest redemption price per unit (Rs.)	9.8113	5.6413	7.2395	8.0760	7.2708	6.8876
Opening Nav of Fiscal Year	9.7166	5.6411	8.2214	8.9014	7.3801	9.0609
Total return of the fund	61.76%	139.27%	-5.25%	-7.64%	20.61%	-15.60%
Capital growth	22.85%	101.17%	-5.25%	-7.64%	16.97%	-15.60%
Income distribution as a % of e x nav	38.91%	38.10%	-	-	3.64%	-
Income distribution as a % of par value	58.44%	51.39%	-	-	3.28%	-
<b>Distribution</b>						
Interim distribution per unit	5.8443	5.1393			0.3281	
Final distribution per unit						
<b>Distribution Dates</b>						
Interim	26/Jun/25	28/Jun/24			25/Jun/21	
Final						
<b>Average annual return of the fund (launch date February 14, 2018)</b>						
(Since inception to June 30, 2025)	<b>16.70%</b>					
(Since inception to June 30, 2024)		<b>10.88%</b>				
(Since inception to June 30, 2023)			<b>-3.90%</b>			
(Since inception to June 30, 2022)				<b>-3.59%</b>		
(Since inception to June 30, 2021)					-2.36%	
(Since inception to June 30, 2020)						-10.70%
Portfolio Composition ( Please see Fund Manager Report)						
<i>Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up</i>						

## PROXY ISSUED BY THE FUND

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

The details of summarized proxies voted are as follows:

NBP FINANCIAL SECTOR FUND				
	Resolutions	For	Against	Abstain*
Number	5	5	Nil	N/A
(%)	100%	100%	-	-

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