



NBP FINANCIAL SECTOR FUND

AM1
Rated by PACRA

QUARTERLY REPORT
SEPTEMBER 30, 2025

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. Tahir Jawaid	Director
Mr. Saad Muzaffar Waraich	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. Umar Ahsan Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Muzaffar Waraich	Member

Human Resource & Remuneration Committee

Mr. Tahir Jawaid	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Faisal Ahmed	Member
Mr. Umar Ahsan Khan	Member

Business Strategy & IT Committee

Mr. Saad Muzaffar Waraich	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Faisal Ahmed	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Tahir Jawaid	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

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited condensed Interim financial statements of **NBP Financial Sector Fund (NFSF)** for the quarter ended September 30, 2025.

Fund's Performance

The stock market sustained its upward trend during 1QFY26, delivering a strong 32% return. This builds on robust gains of 89% in FY24 and 60% in FY25, with the KSE-100 Index closing the period at a record 165,494 points. The rally was broad-based, led by the Commercial Banks, Cement, Oil & Gas Exploration, Fertilizer, and Power Generation sectors.

Inflation averaged 4.2% during the quarter, down from 9.2% a year earlier but slightly higher than 2.3% in 4QFY25. Core inflation eased to 7.3%, reflecting a continued moderation trend. Average inflation for FY26 is projected to remain within the SBP's 5%-7% target range, though a mild uptick is expected during later half of the year due to the base effect. With the policy rate already reduced from 22% to 11%, further monetary easing is likely to be limited to 50-100 bps going forward.

On the external front, the current account deficit widened to USD 624 million during 2MFY26 from USD 430 million last year, mainly due to higher imports. Remittances grew by 8.4% YoY during 1QFY26, while foreign exchange reserves remained stable at USD 14.4 billion as of Sep 26, 2025, even after a USD 500 million Eurobond repayment. FX reserves are projected to rise gradually to around USD 17 billion by June-26, supported by multilateral, bilateral, & commercial inflows.

Following the end of the September quarter, an important milestone was achieved with the conclusion of the IMF's second review under the Extended Fund Facility (EFF) and the first review of the 28-month Resilience & Sustainability Facility (RSF). A Staff-Level Agreement (SLA) was reached in mid-October, with the Fund noting that program implementation remains on track, supported by progress in fiscal consolidation, energy sector reforms, and structural governance improvements. Subject to approval by the IMF Executive Board, the agreement will unlock around USD 1.2 billion in financial assistance, which is expected to further strengthen external buffers and investor confidence.

The government revised FY25 GDP growth upward to 3.04% from 2.68% previously, reflecting stronger-than-expected performance in 4QFY25, led by industrial sector growth of 19.9%. During FY26, GDP growth is expected in the range of 3.0%-3.5%, driven by the industrial and services sectors, while agriculture may face challenges from recent flooding.

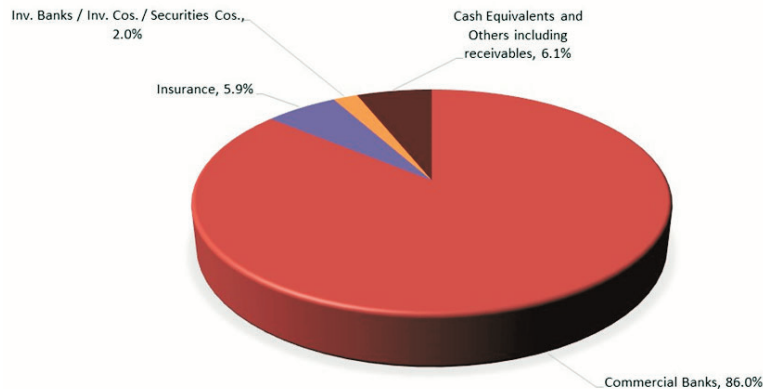
In terms of sector-wise performance, Auto Parts & Accessories, Cable & Electrical Goods, Cements, Commercial Banks, Power Generation & Distribution, Technology & Communication, Textile Composite, and Tobacco sectors outperformed the market. Conversely, Oil & Gas Exploration, Oil & Gas Marketing, Automobile Assembler, Chemicals, Engineering, Fertilizers, Food & Personal Care, Glass & Ceramics, Investment Banks/Companies, Pharmaceutical, and Transport sectors lagged behind.

Regarding participants' activity, Mutual Funds, Individuals, and Companies emerged as the largest net buyers, with inflows of USD 206 million, USD 89 million, and USD 28 million, respectively. In contrast, Banks/DFIs, Foreign Investors, and Other Organizations reduced their net holdings by USD 150 million, USD 132 million, and USD 39 million, respectively.

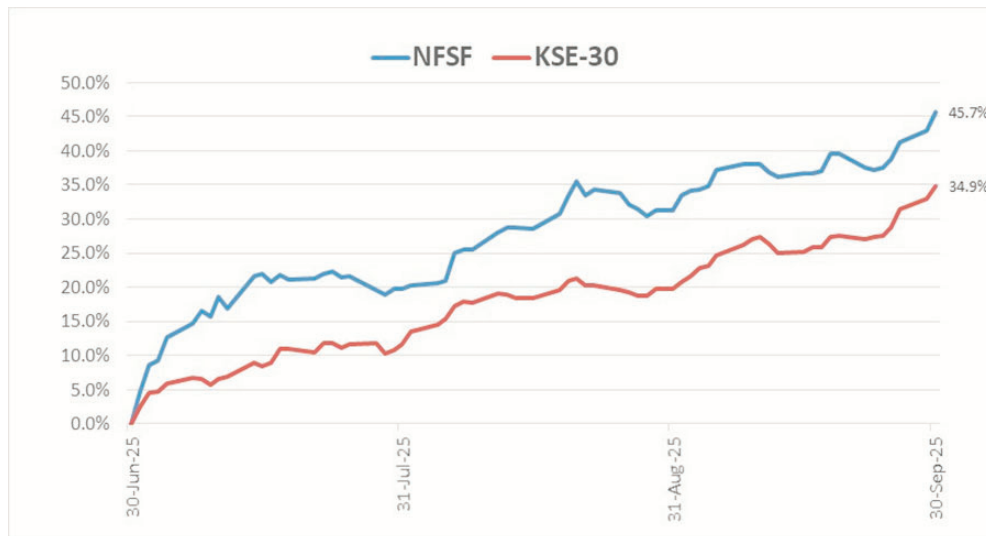
The size of NBP Financial Sector Fund has increased from Rs. 325 million to Rs 953 million during the period, i.e., an increase of 193.2%. During the period, the unit price of NBP Financial Sector Fund (NFSF) has increased from Rs 15.7174 on June 30, 2025 to Rs. 22.9002 on September 30, 2025, thus showing an increase of 45.7%. The Benchmark for the same period was increased by 34.9%. Thus, the Fund has outperformed its Benchmark by 10.8% during the period under review. Since inception, the unit price of NBP Financial Sector Fund has decreased from Rs. 5.0298 (Ex-Div) on February 14, 2018 to Rs. 22.9002 on September 30, 2025, thus showing an increase of 355.3%. The Benchmark for the same period was increased by 336.5%. Thus, the Fund has underperformed its Benchmark by 18.8% during the period under review. This performance is net of management fee and all other expenses.

NBP Financial Sector Fund has earned a total income of Rs. 229.28 million during the period. After deducting total expenses of Rs. 8.15 million, the net income is Rs. 221.13 million.

The asset allocation of the Fund as on September 30, 2025 is as follows:



NFSF Performance versus Benchmark



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: **October 30, 2025**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2025ء کو ختم ہونے والی پہلی سہ ماہی کے لئے NBP فنانسینشل سیکٹر فنڈ (NFSF) کے غیر جانچ شدہ کنڈینسڈ مالیاتی گوشوارے پیش کرتے ہیں۔

ٹھنکی کارکردگی

اشٹاک مارکیٹ نے مالی سال 26 پہلی سہ ماہی کے دوران اپنے اضافہ کے رجحان کو برقرار رکھا، 32 فیصد مضبوط منافع فراہم کیا۔ یہ مالی سال 24 میں 89 فیصد اور مالی سال 25 میں 60 فیصد کے مستحکم فوائد پر قائم ہے، اس مدت کے اختتام پر KSE-100 انڈیکس 165,494 پوائنٹس پر بند ہوا۔ ریلی وسیع پیمانے پر تھی، جس کی قیادت کمرشل بینک، سیٹ، آئل اینڈ گیس ایکسپلوریشن، فریٹلائزر اور پاور جنریشن سیکٹرز نے کی۔

سہ ماہی کے دوران اوسط مہنگائی 4.2 فیصد رہی، جو پچھلے سال سے 9.2 فیصد کم لیکن مالی سال 25 چوتھی سہ ماہی سے 2.3 فیصد معمولی زیادہ تھی۔ بنیادی افراط زر 7.3 فیصد تک کم ہو گیا، جو کہ مسلسل اعتدال کے رجحان کی عکاسی کرتا ہے۔ مالی سال 26 کے لیے اوسط افراط زر SBP کے ہدف 7%-5% کی حد میں رہنے کا امکان ہے، حالانکہ بنیادی اثر کی وجہ سے سال کی آخری ششماہی میں معمولی اضافہ متوقع ہے۔ پالیسی ریٹ کو پہلے ہی 22 فیصد سے کم کر کے 11 فیصد کر دیا گیا، امکان ہے کہ مزید مالیاتی آسانی 100-50 bps تک محدود ہو جائے گی۔

بیرونی محاذ پر، کرنٹ اکاؤنٹ خسارہ 26MFY کے دوران 624 ملین امریکی ڈالر تک بڑھ گیا جو گزشتہ سال 430 ملین امریکی ڈالر تھا، جس کی بنیادی وجہ زیادہ درآمدات ہیں۔ مالی سال 26 پہلی سہ ماہی کے دوران ترسیلات زر میں سالانہ 8.4% اضافہ ہوا، جبکہ زرمبادلہ کے ذخائر، یہاں تک کہ 500 ملین امریکی ڈالر یورو بانڈ کی ادائیگی کے بعد بھی 26 ستمبر 2025 تک 14.4 ملین امریکی ڈالر پر مستحکم رہے۔ FX کے ذخائر کثیر جہتی، دو طرفہ، اور تجارتی آمدورفت کی مدد سے بتدریج بڑھ کر جون-26 تک تقریباً 17 بلین امریکی ڈالر تک پہنچنے کا امکان ہے۔

تمبر کو سہ ماہی کے اختتام کے بعد، توسیعی فنڈ سہولت (EFF) کے تحت IMF کے دوسرے جائزہ اور 28 ماہ کی چلک اور پائیداری سہولت (RSF) کے پہلے جائزہ کے اختتام کے ساتھ ایک اہم سنگ میل حاصل کیا۔ آئوٹر کے وسط میں اسٹاف لیول ایگریمنٹ (SLA) طے پایا، جس میں فنڈ نے نوٹ کیا کہ پروگرام پر عمل درآمد جاری ہے، جس میں مالیاتی استحکام، توانائی کے شعبے میں اصلاحات، اور سستی نظم و نسق میں بہتری معاون رہی ہیں۔ آئی ایم ایف کے ایگزیکٹو بورڈ کی منظوری سے مشروط، یہ معاہدہ تقریباً 1.2 بلین امریکی ڈالر کی مالی امداد کو کھولے گا، جس سے توقع ہے کہ بیرونی بفرز اور سرمایہ کاروں کے اعتماد کو مزید تقویت ملے گی۔

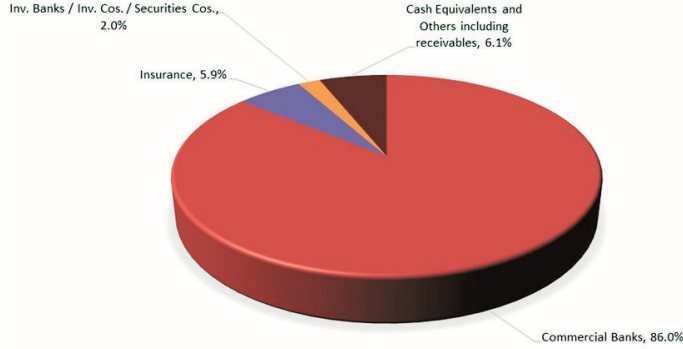
حکومت نے مالی سال 25 کی جی ڈی پی نمو کو گزشتہ 2.68 فیصد سے بڑھا کر 3.04 فیصد کر دیا، جو 4QFY25 میں توقع سے زیادہ مضبوط کارکردگی کی عکاسی کرتی ہے، جس میں صنعتی شعبہ کی نمو کا حصہ 19.9 فیصد تھا۔ مالی سال 26 کے دوران، صنعتی اور خدمات کے شعبوں کے ذریعے کارفرما جی ڈی پی کی نمو 3.5%-3.0% کی حد میں متوقع ہے، جبکہ زراعت کو حالیہ سیلاب سے مشکلات کا سامنا کرنا پڑ سکتا ہے۔

سیکٹر وار کارکردگی کے لحاظ سے، آٹو پارٹس اینڈ ایسیریز، کیمبل اور الیکٹریکل گڈز، سیمینٹس، کمرشل بینکس، پاور جنریشن اینڈ ڈسٹری بیوشن، فیکینالوجی اینڈ کمیونیکیشن، ٹیکسٹائل کمپوزٹ، اور تبا کو کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس، تیل اور گیس ایکسپلوریشن، تیل اور گیس مارکیٹنگ، آٹو موٹائل اسمبلر، کیمیکل، انجینئرنگ، فریٹلائزر، فوڈ اینڈ پرنٹل کیئر، گلاس اینڈ سیرامکس، انویسٹمنٹ بینکس/کمپنیاں، فارماسیوٹیکل اور ٹرانسپورٹ نے اتر کارکردگی دکھائی۔

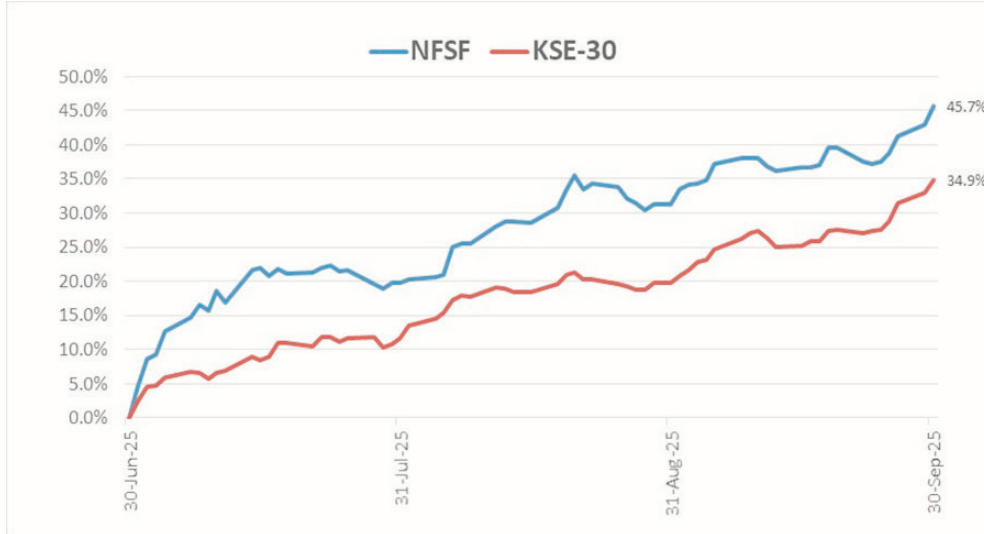
شرکاء کی سرگرمیوں کے حوالے سے، میوچل فنڈز، افراد اور کمپنیاں بالترتیب 206 ملین امریکی ڈالر، 89 ملین امریکی ڈالر، اور 28 ملین امریکی ڈالر کے ساتھ اہم خالص خریدار رہے۔ اس کے برعکس، بینکوں/DFIs، غیر ملکی سرمایہ کاروں، اور دیگر تنظیموں نے اپنی خالص ہولڈنگز میں بالترتیب 150 ملین امریکی ڈالر، 132 ملین امریکی ڈالر، اور 39 ملین امریکی ڈالر کی کمی کی ہے۔

NBP فنانسینشل سیکٹر فنڈ کا سائز اس مدت کے دوران 325 ملین روپے سے بڑھ کر 953 ملین روپے ہو گیا، یعنی 193.2% کا اضافہ ہوا۔ اس مدت کے دوران، NBP فنانسینشل سیکٹر فنڈ (NFSF) کے یونٹ کی قیمت 30 جون 2025 کو 15.7174 روپے سے بڑھ کر 30 ستمبر 2025 کو 22.9002 روپے ہو چکی ہے، لہذا 45.7% کا اضافہ ظاہر کیا۔ اسی مدت کے دوران بیچ مارک میں 34.9 فیصد کا اضافہ ہوا۔ لہذا، فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 10.8 فیصد کی بہتر کارکردگی دکھائی۔ اپنے قیام 14 فروری 2018 سے اب تک فنڈ کے یونٹ کی قیمت 5.0298 روپے سے بڑھ کر 30 ستمبر 2025 کو 22.9002 روپے ہو گئی، لہذا 355.3% کا اضافہ ہوا۔ اسی مدت کے لئے بیچ مارک میں 336.5 فیصد کا اضافہ ہوا۔ لہذا، زیر جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے بیچ مارک سے 18.8 فیصد اتر رہی۔ یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP فنانیشل سیکٹر فنڈ کو موجودہ مدت کے دوران 229.28 ملین روپے کی مجموعی آمدنی ہوئی۔ 8.15 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد مجموعی آمدنی 221.13 ملین روپے ہے۔
30 ستمبر 2025 کے مطابق فنڈ کی ایسٹ ایلوکیشن حسب ذیل ہے:



NFSF کی کارکردگی بمقابلہ بیج مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے تخلص رویہ کا بھی اعتراف کرتا ہے۔
بورڈ اپنے اسٹاک ہولڈرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2025ء

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2025

		(Un-Audited) September 30, 2025	(Audited) June 30, 2025
	Note	Rupees in '000	
Assets			
Bank balances		65,181	220,228
Investments	4	894,084	322,921
Profit and dividend receivable		285	716
Deposits and other receivable		2,948	2,948
Receivable against conversion of units		30,665	108,935
Receivable against sale of investments		-	25,097
Total assets		993,163	680,845
Liabilities			
Payable to NBP Fund Management Limited - Management Company		3,015	1,345
Payable to the Central Depository Company of Pakistan Limited - Trustee		153	67
Payable to the Securities and Exchange Commission of Pakistan	7	63	27
Payable against purchase of investments		23,286	
Payable against conversion and redemption of units		8,470	345,630
Accrued expenses and other liabilities		5,315	9,088
Total liabilities		40,302	356,157
NET ASSETS		952,861	324,688
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		952,861	324,688
CONTINGENCIES AND COMMITMENTS	5		
NUMBER OF UNITS IN ISSUE		41,609,270	20,657,938
NET ASSET VALUE PER UNIT		22.9002	15.7174

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

		Quarter ended September 30, 2025	Quarter ended September 30, 2024
Income	Note	Rupees in '000	
Profit on bank deposits		95	464
Dividend income		13,912	8,634
Gain / (Loss) on sale of investments - net		96,943	(150)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		118,335	4,755
Total Income		229,286	13,703
Expenses			
Remuneration of NBP Fund Management Limited - Management Company		2,567	1,213
Sindh Sales Tax on remuneration of the Management Company		385	182
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		342	162
Sindh Sales Tax on remuneration of the Trustee		51	24
Annual fees to the Securities and Exchange Commission of Pakistan	7	163	77
Securities transaction cost		4,213	312
Auditors' remuneration		288	124
Annual listing fee		7	8
Printing charges		-	4
Legal and professional charges		37	37
Settlement and bank charges		100	118
Total operating expenses		8,151	2,261
Net Income for the period before taxation		221,134	11,442
Taxation	8	-	-
Net Income for the period after taxation		221,134	11,442
Allocation of net income for the period			
Net income for the period after taxation		221,134	11,442
Income already paid on units redeemed		(68,587)	(250)
		152,547	11,192
Accounting income available for distribution			
- Relating to capital gains		152,547	4,605
- Excluding capital gains		-	6,587
		152,547	11,192

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Quarter ended September 30, 2025	Quarter ended September 30, 2024
	Rupees in '000	
Net Income for the period after taxation	221,134	11,442
Other comprehensive income for the period	-	-
Total comprehensive Income for the period	221,134	11,442

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Quarter ended September 30, 2025			Quarter ended September 30, 2024		
	----- Rupees in '000 -----					
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at beginning of the period	563,530	(238,842)	324,688	490,256	(247,553)	242,703
Issue of 117,339,165 units (2024: 13,987,984 units)						
- Capital value	1,844,267	-	1,844,267	188,800	-	188,800
- Element of income	436,770	-	436,770	10,741	-	10,741
Total proceeds on issuance of units	2,281,036	-	2,281,036	199,541	-	199,541
Redemption of 96,387,833 units (2024: 9,567,022 units)						
- Capital value	(1,514,966)	-	(1,514,966)	(129,129)	-	(129,129)
- Element of loss	(290,445)	(68,587)	(359,032)	(4,407)	(250)	(4,657)
Total payments on redemption of units	(1,805,411)	(68,587)	(1,873,998)	(133,536)	(250)	(133,786)
Total comprehensive Income for the period	-	221,134	221,134	-	11,442	11,442
Net assets at end of the period	1,039,155	(86,295)	952,861	556,261	(236,361)	319,900
Undistributed loss brought forward						
Realised (loss)		(255,951)			(286,306)	
Unrealised gain		17,109			38,753	
		(238,842)			(247,553)	
Accounting income available for distribution						
- Relating to capital gains		152,547			4,605	
- Excluding capital gains		-			6,587	
		152,547			11,192	
Undistributed loss carried forward		(86,295)			(236,361)	
Undistributed loss carried forward						
- Realised loss		(204,630)			(241,116)	
- Unrealised gain		118,335			4,755	
		(86,295)			(236,361)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		15.7174			13.4973	
Net assets value per unit at end of the period		22.9002			14.2796	

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

Quarter ended September 30, 2025 Quarter ended September 30, 2024

Rupees in '000

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income for the period before taxation

221,134 11,442

Adjustments for:

Net unrealised (appreciation) on re-measurement of investments
classified as 'financial assets at fair value through profit or loss'

(118,335)	(4,755)
(118,335)	(4,755)

(Increase) / Decrease in assets

Investments

(452,828)	(66,147)
-----------	----------

Profit and dividend receivable

431	(894)
-----	-------

Receivable against sale of investments

25,097	-
--------	---

Deposits and other receivable

-	(5,297)
---	---------

(427,300)	(72,338)
-----------	----------

Increase / (Decrease) in liabilities

Payable to NBP Fund Management Limited - Management Company

1,670	439
-------	-----

Payable to the Central Depository Company of Pakistan Limited - Trustee

86	18
----	----

Payable to the Securities and Exchange Commission of Pakistan

36	7
----	---

Accrued expenses and other liabilities

(3,773)	(3,972)
---------	---------

Payable against purchase of investments

23,286	(10,015)
--------	----------

21,305	(13,523)
--------	----------

Net cash (used in) operating activities

(303,196)	(79,174)
-----------	----------

CASH FLOWS FROM FINANCING ACTIVITIES

Net receipts from issuance of units

2,359,306	193,388
-----------	---------

Net payments against redemption of units

(2,211,158)	(124,556)
-------------	-----------

Cash dividend paid

-	-
---	---

Net cash generated from financing activities

148,148	68,832
---------	--------

Net (decrease) in cash and cash equivalents

(155,047)	(10,342)
-----------	----------

Cash and cash equivalents at the beginning of the period

220,228	27,925
---------	--------

Cash and cash equivalents at the end of the period

65,181	17,583
--------	--------

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

During the year ended 30 June, 2021 The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2025.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2025.

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

3 SUMMARY OF ACCOUNTING POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2025.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2025. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2025.

4	INVESTMENTS	Note	(Un-Audited) September 30, 2025	(Audited) June 30, 2025
			Rupees in '000	
	At fair value through profit or loss			
	Quoted equity securities	4.1	<u>894,084</u>	<u>322,921</u>

4.1 Investments in equity securities - listed

Name of the investee company	As at July 1, 2025	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2025	Market Value as at September 30,2025	Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
	Number of shares					(Rupees in '000)	%		
COMMERCIAL BANKS									
Allied Bank Limited	171,152	548,282	-	544,200	175,234	30,128	3.16	3.37	0.02
Bank Al-Falah Limited	371,512	1,646,529	-	1,217,200	800,841	87,564	9.19	9.79	0.05
Bank Al-Habib Limited	137,058	642,278	-	355,850	423,486	86,319	9.06	9.65	0.04
Bank Of Punjab Limited	762,219	2,423,000	-	1,855,000	1,330,219	36,115	3.79	4.04	0.04
Faysal Bank Limited	18,375	19,500	-	23,381	14,494	1,323	0.14	0.15	0.00
Habib Bank Limited	155,284	494,300	-	403,700	245,884	71,847	7.54	8.04	0.02
MCB Bank Limited	161,241	615,577	-	511,000	265,818	94,892	9.96	10.61	0.02
Meezan Bank Limited	44,175	402,700	-	241,800	205,075	89,409	9.38	10.00	0.01
Habib Metropolitan Bank Limited	310,400	1,088,999	-	815,389	584,010	67,915	7.13	7.60	0.06
Askari Bank Limited	1,168,225	2,376,558	-	2,526,250	1,018,533	85,659	8.99	9.58	0.07
National Bank Of Pakistan	79,800	555,400	-	148,000	487,200	99,535	10.45	11.13	0.02
Soneri Bank Ltd	900	-	-	900	-	-	-	-	0.00
United Bank Limited	83,118	297,300	-	203,100	177,318	68,455	7.18	7.66	0.01
	3,463,459	11,110,423	-	8,845,770	5,728,112	819,161	86	92	
INSURANCE									
Adamjee Insurance Company Limited	65,662	524,000	-	46,300	543,362	38,872	4.08	4.35	0.16
IGI Holdings Limited	63,847	5,900	-	26,800	42,947	11,950	1.25	1.34	0.03
Jubilee General Insurance Company Limited	49,500	-	-	49,500	-	-	-	-	0.00
Pakistan Reinsurance Company Limited	312,000	294,500	-	267,000	339,500	5,300	0.56	0.59	0.04
	491,009	824,400	-	389,600	925,809	56,122	6	6	
Inv Banks/ Inv.Cos/ Securities COS									
Pakistan Stock Exchange Limited	201,500	462,000	-	154,000	509,500	18,801	1.97	2.10	0.06
Total as at September 30, 2025					7,163,421	894,084	94	100	
Carrying value as at September 30, 2025					775,749				

4.1.2 Investments include shares with market value of Rs 91.261 (June 30, 2025: 60.491) million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

5 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2025 and June 30, 2025.

6 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, wherein the SECP has excluded the chargeability of selling and marketing expenses from the Schedule.

7 Payable to the Securities and Exchange Commission of Pakistan

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

8 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has intended the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed financial statements during the period.

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

9 TOTAL EXPENSE RATIO

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 600(I)/2025, has withdrawn the Total Expense Ratio (TER) limit with effect from July 1, 2025. Although the TER is no longer subject to a prescribed cap, the management fee for a Equity fund Scheme shall not exceed 3.00% per annum of the average daily net assets.

The TER of the Fund as at September 30, 2025 is 4.73% (September 30, 2024: 2.79%), which includes 0.57% (2024: 0.4%) representing government levies.

10 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 10.1 Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan 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 key management personnel of the Management Company and other associated companies. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 10.2 Transactions with connected persons / related parties are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 10.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.5 Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company.
- 10.6 Details of the transactions with related parties / connected persons during the period are as follows:

	(Un-Audited)	
	Quarter ended	Quarter ended
	September 30, 2025	September 30, 2024
	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Remuneration for the period	2,567	1,213
Sindh Sales Tax on remuneration of Management Company	385	182
Sales load and transfer load including SST	3,329	306
ADC including SST	39	10
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	342	162
Sindh Sales Tax on remuneration	51	24
Key management personnel of the Management Company		
Units issued during the period - : 3,625,948 (2024: 2,476,248 units)	74,478	34,400
Units redeemed during the period - 2,558,932 (2024: 2,416,862 units)	52,070	33,700
National Bank of Pakistan Limited - (Parent of the Management Company)		
Shares purchased: 55,400 shares (2024: 81,500 shares)	83,076	4163
Shares sold: 148,000 shares (2024: 16,500 shares)	24,633	763
** East West Insurance Co. Ltd.		
Units issued during the period - : 6,877,232 (2024: NIL)	157,490	-
Taurus Securities Limited - (Subsidiary of Parent Company)		
Brokerage expense	332	13
* Margaret Elizabeth Majeed - Unit Holder With More Than 10% Holding		
Units issued / transferred in during the year: NIL units (2024: 3,843,734 units)	-	56,346

(Un-Audited)	(Audited)
As at	As at
September 30,	June 30,
2025	2025
(Rupees in '000)	

10.7 Amounts / balances outstanding as at period end

NBP Fund Management Limited - Management Company		
Remuneration payable to the Management Company	997	435
Sindh sales tax on remuneration of the Management Company	150	65
Sales load and transfer load including SST	1,877	824
ADC payable including SST	59	21
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	133	58
Sindh sales tax payable on trustee fee	20	9
Security deposit	100	100
Settlement charges payable	32	43
Key management personnel of the Management Company		
Units held: 1,211,843 (June 2025: 144,377 units)	27,751	2,269

	(Un-Audited) As at September 30, 2025 (Rupees in '000)	(Audited) As at June 30, 2025 (Rupees in '000)
* Mahmud Yar Hiraj - unit holder with more than 10% holding		
Units held: Nil units (June 2025: 2,203,696 units)	-	34,636
Portfolio managed by the Management Company		
Units held: 116 units (June 2025: 116 units)	3	2
** East West Insurance Company Limited		
Shares Purchased: 6,877,232 Shares (June 2025: Nil units)	157,490	-
* Forman Christian College - unit holder with more than 10% holding		
Units held: Nil units (June 2025: 2,126,467)	-	33,423
National Bank of Pakistan - (Parent of the Management Company)		
Bank balances	449	727
Shares held: 487,200 units (June 2025: 79,800 shares)	99,535	8,673
Dividend receivable	83	83
Taurus Securities Limited - (Subsidiary of Parent Company)		
Brokerage expense	62	156

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

** Comparative balances with these parties have not been disclosed as these parties were not related party / connected person in the last term.

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2025.

12 GENERAL

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

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

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