



NBP FUNDS

Managing Your Savings

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NBP FINANCIAL SECTOR FUND



QUARTERLY REPORT
MARCH 31, 2021



MISSION STATEMENT

**To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.**



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FUND'S INFORMATION

Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Ms. Mehnaz Salar	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member
Mr. Saad Amanullah Khan	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Syed Hasan Irtiza Kazmi	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	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
Summit 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 financial statements of **NBP Financial Sector Fund (NFSF)** for the period ended March 31, 2021.

Fund's Performance

The size of NBP Financial Sector Fund has decreased from Rs. 578 million to Rs. 435 million during the period, i.e. a decrease of 25%. During the period, the unit price of NBP Financial Sector Fund (NFSF) has increased from Rs. 7.6489 on June 30, 2020 to Rs. 8.7474 on March 31, 2021, thus showing an increase of 14.4%. The Benchmark for the same period was increased by 28.9%. Thus, the Fund has underperformed its Benchmark by 14.5% during the period under review. Since inception, the unit price of NBP Financial Sector Fund has decreased from Rs. 10.0000 on February 14, 2018 to Rs. 8.7474 on March 31, 2021, thus showing a decrease of 12.5%. The Benchmark for the same period was increased by 2.1%. Thus, the Fund has underperformed its Benchmark by 14.6% during the period under review. This performance is net of management fee and all other expenses.

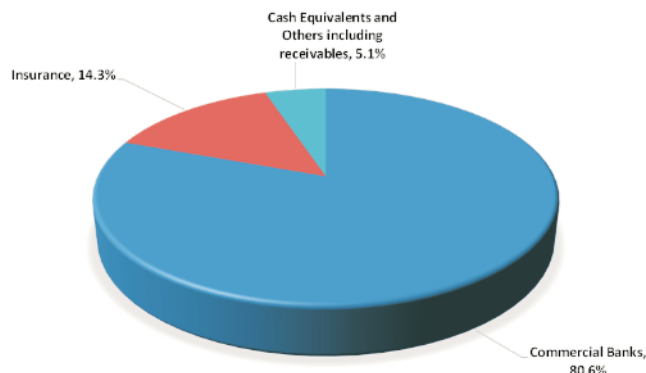
During 9MFY21, the stock market (KSE-100 Index) delivered robust return of 29.5%. This sharp market recovery was driven by attractive stock market valuations; earlier than expected lifting of business restrictions and the resultant sharp economic recovery; development of effective vaccines; and well-coordinated and decisive policy response by the monetary and fiscal authorities.

Active cases of Covid-19 declined significantly after peaking in July; the fatality rate fell sharply; and infection ratios also dropped to a low single-digit that allowed re-opening of the economy. The economic recovery picked-up steam as reflected by the frequently released economic data such as cement dispatches, retail fuels sales and automobile sales volume. On the policy response fronts, SBP slashed the Policy Rate by a cumulative 6.25% in a short span of time and government announced a Rs. 1.2 trillion stimulus package, equivalent to 2.8% of the GDP, which included relief for all sectors of the society including the under privileged, businesses, and the industries. External account also remained beneficiary of the Coronavirus pandemic thanks to a robust 24% growth in remittances during 8MFY21. The country posted a current account surplus of USD 881 million during 8MFY21 versus a Current Account Deficit (CAD) of USD 2.7 billion in the comparative period last year. The Extended Fund Facility (EFF) with the International Monetary Fund (IMF) that was put on hold in April last year, finally resumed, and as a result the central bank secured the IMF tranche of around USD 500 million. The resumption of IMF program allowed the country to borrow USD 2.5 billion by issuing Eurobonds in the international debt market.

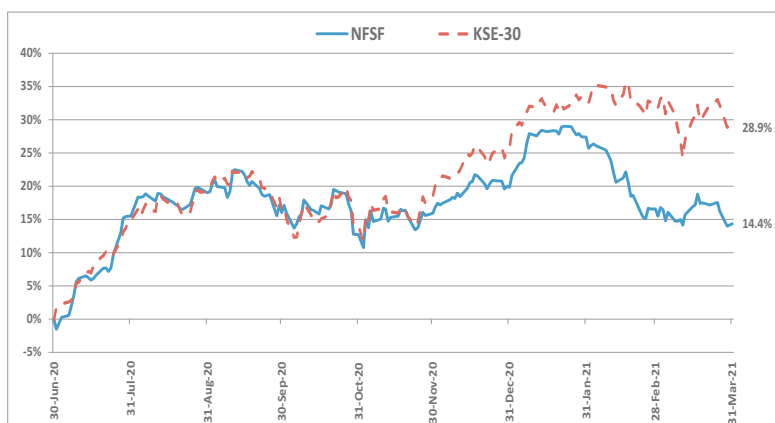
The rally at the local bourse picked up steam during 1QFY21 as value money entered the stock market. Robust economic recovery and strong earnings growth also lifted market sentiment. However, rising noise in the domestic politics surrounding the senate elections led to elevated market volatility and subdued market performance during 3QFY21. Overall, the market (KSE-100) delivered a robust 29.5% return during 9MFY21. In terms of sectoral performance, Auto Assemblers, Cements, Chemicals, Engineering, Glass & Ceramics, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Refinery, Technology, and Textile Composite sectors performed better than the market. On the contrary, Auto Parts & Accessories, Commercial Banks, Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, and Pharmaceuticals sectors lagged behind. On participants-wise market activity, Individuals, Companies, and Insurance Companies stood as main buyers in the market, with net inflows amounting to USD 248 million, USD 118 million and USD 53 million, respectively. On the other hand, Foreign Investors and Banks/DFIs were large sellers with net outflows of around USD 295 million and USD 91 million, respectively.



NBP Financial Sector Fund has earned a total income of Rs. 129.64 million during the period. After incurring total expenses of Rs. 21.74 million, the net income is Rs. 107.90 million. The asset allocation of the Fund as on March 31, 2021 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

Director

Date: **April 30, 2021**
Place: Karachi.



ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2021 کو ختم ہونے والی نو ماہی کے لئے NBP فنانسشل سیکٹر فنڈ (NFSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

NBP فنانسشل سیکٹر فنڈ (NFSF) کا فنڈ سائز اس مدت کے دوران 578 ملین روپے سے کم ہو کر 435 ملین روپے ہو گیا، یعنی 25% کی کمی ہوئی۔ اس مدت کے دوران، NBP فنانسشل سیکٹر فنڈ (NFSF) کے یونٹ کی قیمت 30 جون 2020 کو 7.6489 روپے سے بڑھ کر 31 مارچ 2021 کو 8.7474 روپے ہو چکی ہے، لہذا 14.4% کا اضافہ ہوا۔ اسی مدت کے دوران بیچ مارک میں 28.9% کا اضافہ ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 14.5% بہتر کارکردگی دکھائی۔ NBP فنانسشل سیکٹر فنڈ اپنے قیام 14 فروری 2018 سے اب تک یونٹ کی قیمت 10.000 روپے سے کم ہو کر 31 مارچ 2021 کو 8.7474 روپے ہو گئی، لہذا 12.5% کی کمی ہوئی ہے۔ اسی مدت کے دوران بیچ مارک میں 2.1% کی کمی ہوئی۔ لہذا، زیر جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے بیچ مارک سے 14.6% بہتر رہی۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 21 کی نو ماہی کے دوران، اسٹاک مارکیٹ (KSE-100 انڈیکس) نے 29.5 فیصد مضبوط منافع مہیا کیا۔ مارکیٹ میں یہ تیز ترین بحالی اسٹاک مارکیٹ کی پرکشش قیمتوں، توقع سے قبل کاروباری پابندیوں کے خاتمے اور اس کے نتیجے میں تیز معاشی بحالی، موثر ویکسینوں کی تیاری، اور مانیٹری اور مالیاتی حکام کی طرف سے اچھی طرح مربوط اور فیصلہ کن پالیسی ردعمل کی وجہ سے حاصل ہوئی۔

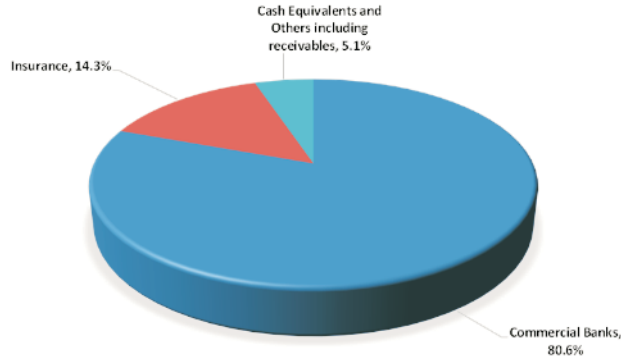
جولائی میں بلندی پر پہنچنے کے بعد کوویڈ 19 کے فعال کیسز میں نمایاں کمی؛ اموات کی شرح میں تیزی سے کمی اور انفیکشن تناسب بھی کم ہو کر واحد ہندسے پر آ گیا جس نے معیشت کو دوبارہ کھولنے کی اجازت دی۔ معاشی بحالی کی رفتار سینٹ کی ترسیل، خوردہ ایندھن کی فروخت اور آٹوموبائل کے فروخت حجم کے اکثر جاری کردہ معاشی اعداد و شمار سے ظاہر ہوتی ہے۔ پالیسی سازی کے تناظر میں، اسٹیٹ بینک آف پاکستان نے قلیل مدت میں پالیسی شرح کو مجموعی طور پر 6.25 فیصد تک کم کر دیا اور حکومت نے ایک 1.2 ٹریلین روپے کے محرک ٹیکس کا اعلان کیا، جو جی ڈی پی کے 2.8 فیصد کے مساوی ہے، جس میں معاشرے کے تمام شعبوں کو ریلیف دیا گیا ہے جن میں پسماندہ افراد، کاروبار اور صنعتیں شامل ہیں۔ 8MFY21 کے دوران وبائی مرض کو نواز س کے بدولت بیرونی اکاؤنٹ پر مثبت اثر ہوا اور تریلا ز میں 24 فیصد اضافہ ہوا۔ ملک نے گزشتہ سال کے تقابلی دورانیہ میں 2.7 بلین امریکی ڈالر کے کرنٹ اکاؤنٹ خسارہ (CAD) کے مقابلے میں 8MFY21 کے دوران 881 ملین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس درج کیا ہے۔ بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ توسیعی فنڈ کی سہولت (EFF) جسے پچھلے سال اپریل میں روک دیا گیا تھا، آخر کار دوبارہ شروع ہو گئی، اور اس کے نتیجے میں مرکزی بینک نے آئی ایم ایف سے قریباً 500 ملین ڈالر کی رقم حاصل کی۔ آئی ایم ایف پروگرام کے دوبارہ آغاز سے بین الاقوامی ڈیٹ مارکیٹ میں یورو بانڈز جاری کر کے ملک کو 2.5 ارب ڈالر قرض لینے کا موقع ملا۔

مالی سال 21 کے دوران مقامی اسٹاک مارکیٹ کی بحالی میں تیزی آئی کیونکہ اسٹاک مارکیٹ میں قابل قدر رقم کا اندرج ہوا۔ مضبوط معاشی بحالی اور مضبوط آمدنی میں اضافے نے بھی مارکیٹ کو سرحال۔ تاہم، سینیٹ انتخابات کے گرد مقامی سیاست میں بڑھتی ہوئی آوازوں کے باعث مارکیٹ میں اتار چڑھاؤ زیادہ ہوا اور 3QFY21 کے دوران مارکیٹ کی کارکردگی میں کمی واقع ہوئی۔ مجموعی طور پر، 9MFY21 کے دوران مارکیٹ (KSE-100) نے 29.5 فیصد کا مضبوط منافع ظاہر کیا۔ شعبہ دار کارکردگی کے لحاظ سے، آٹو اسمبلر، سمنٹ، کیمیکل، انجینئرنگ، گلاس اور سرکس، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پیپر اینڈ بورڈ، پاور جنریشن اینڈ ڈسٹری بیوٹن، ریفرنسری، بینکالوجی اور نیٹ ورکس کمپوزٹ سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس، آٹو پارٹس اور لوازمات، کمرشل بینک، کھاد، خوراک اور ذاتی نگہداشت، انشورنس، تیل اور گیس کی تلاش اور دو سازی کے شعبے پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ سرگرمی پر، افراد، کمپنیاں اور انشورنس کمپنیاں مارکیٹ میں بالترتیب 248 ملین امریکی ڈالر، 118 ملین امریکی ڈالر اور 53 ملین امریکی ڈالر کے ساتھ خالص خریدار رہے۔ دوسری طرف، غیر ملکی سرمایہ کار اور بینک/DFIs بالترتیب 295 ملین امریکی ڈالر اور 91 ملین امریکی ڈالر خالص اخراج کے ساتھ بڑے فروخت کنندگان رہے۔

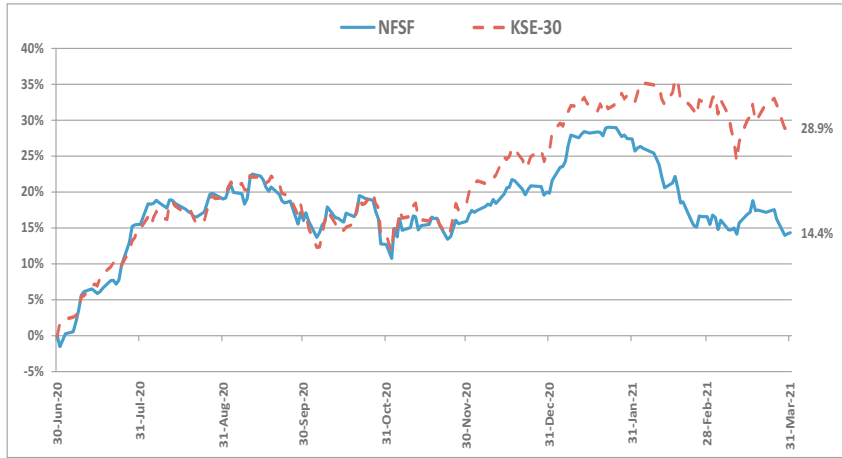
NBP فنانسشل سیکٹر فنڈ نے موجودہ مدت کے دوران 129.64 ملین روپے کی مجموعی آمدنی ہوئی۔ 21.74 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 107.90 ملین روپے ہے۔



31 مارچ 2021 کے مطابق فنڈ کی ایسٹ ایلو کیشن حسب ذیل ہے:



NFSF کی کارکردگی بمقابلہ بیج مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر ریونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لا نا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 30 اپریل 2021ء

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

	Note	Un-Audited March 31, 2021	Audited June 30 2020
-----Rupees in '000-----			
ASSETS			
Balances with banks		14,726	22,750
Investments	4	412,638	552,118
Profit and Dividend receivable		9,698	98
Advances, deposits and other receivables		2,952	2,948
Receivable against sale of units		50	4,078
Preliminary expenses and floatation costs		1,252	1,755
Total Assets		441,316	583,747
LIABILITIES			
Payable to the Management Company		3,314	4,442
Payable to Central Depository Company of Pakistan Limited - Trustee		86	107
Payable to Securities and Exchange Commission of Pakistan		90	152
Accrued expenses and other liabilities		2,847	649
Total Liabilities		6,337	5,350
NET ASSETS		434,979	578,397
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		434,979	578,397
Number of units in issue		49,726,683	75,618,518
CONTINGENCIES AND COMMITMENTS			
NET ASSET VALUE PER UNIT	6	8.7474	7.6489

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Nine Months Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Note	------(Rupees in '000)-----			
INCOME				
Net gain on sale of investments	70,204	22,413	49,853	30,592
Dividend Income	28,705	37,351	21,117	15,937
Profit on bank deposits	1,113	4,387	286	1,535
Net unrealised appreciation / (diminution) on re-measurement as 'financial assets at fair value through profit or loss'	29,615	(181,792)	(73,259)	(249,519)
Total income / (loss)	129,637	(117,641)	(2,003)	(201,455)
EXPENSES				
Remuneration of Management Company	6,764	9,383	1,880	2,787
Sindh sales tax on remuneration of the Management Company	879	1,220	244	363
Accounting and operational expenses	570	614	188	186
Selling and marketing expense	7,795	7,248	2,462	2,509
Remuneration of Trustee	902	1,221	251	371
Sindh Sales Tax on remuneration of the Trustee	117	159	32	48
Annual fee - Securities and Exchange Commission of Pakistan	90	123	25	37
Amortisation of preliminary expenses and floatation costs	503	504	166	167
Securities transaction cost	826	2,484	493	1,195
Printing charges	108	42	18	-
Annual listing fee	21	20	8	7
Auditors' remuneration	520	477	90	77
Settlement and bank charges	313	260	112	64
Legal & Professional charges	128	46	45	27
Total Expenses	19,536	23,801	6,014	7,838
Net income / (loss) from operating activities	110,101	(141,442)	(8,017)	(209,293)
Provision / Reversal for Sindh Workers' Welfare Fund	(2,202)	-	160	1,357
Net income / (loss) for the period before taxation	107,899	(141,442)	(7,857)	(207,936)
Taxation	-	-	-	-
Net income / (loss) for the period after taxation	107,899	(141,442)	(7,857)	(207,936)
Allocation of net income for the period:				
Net income for the period after taxation	107,899	-	-	-
Income already paid on units redeemed	(68,788)	-	-	-
	39,111	-	-	-
Accounting income available for distribution:				
-Relating to capital gains	39,111	-	-	-
-Excluding capital gains	-	-	-	-
	39,111	-	-	-

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Nine Months Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----			
Net income / (loss) for the period after taxation	107,899	(141,442)	(7,857)	(207,936)
Other Comprehensive Income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>107,899</u>	<u>(141,442)</u>	<u>(7,857)</u>	<u>(207,936)</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	For the nine months period ended March 31, 2021			For the nine months period ended March 31, 2020		
	Rupees in '000			Rupees in '000		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at beginning of the period	851,377	(272,980)	578,397	1,283,122	(162,494)	1,120,628
Issue of 26,045,836 units (2020: 70,256,453 units)						
- Capital value (at net asset value per unit at the beginning of the period)	199,222	-	199,222	636,587	-	636,587
- Element of income	28,997	-	28,997	62,412	-	62,412
Total proceeds on issuance of units	228,219	-	228,219	698,999	-	698,999
Redemption of 51,937,671 units (2020: 113,593,881 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(397,266)	-	(397,266)	(1,029,263)	-	(1,029,263)
- Element of (loss)	(13,482)	(68,788)	(82,270)	(64,083)	-	(64,083)
Total payments on redemption of units	(410,748)	(68,788)	(479,536)	(1,093,346)	-	(1,093,346)
Total comprehensive income / (loss) for the period	-	107,899	107,899	-	(141,442)	(141,442)
Net assets at end of the period	668,848	(233,869)	434,979	888,775	(303,936)	584,839
Undistributed (loss) brought forward						
- Realised (loss)		(124,931)			(33,288)	
- Unrealised (loss)		(148,049)			(129,206)	
		(272,980)			(162,494)	
Accounting income available for distribution						
- Relating to capital gains	39,111			-		
- Excluding capital gains	-			-		
	39,111			-		
Net (loss) for the period after taxation		-			(141,442)	
Undistributed (loss) carried forward		(233,869)			(303,936)	
Undistributed (loss) carried forward						
- Realised (loss)		(263,484)			(122,144)	
- Unrealised income / (loss)		29,615			(181,792)	
		(233,869)			(303,936)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		7.6489			9.0609	
Net assets value per unit at end of the period		8.7474			7.2796	

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Nine Months Ended	
	March 31, 2021	March 31, 2020
	------(Rupees in '000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	107,899	(141,442)
Adjustments		
Amortization of preliminary expenses and floatation costs	503	504
Net unrealised (appreciation) / diminution on re-measurement as 'financial assets at fair value through profit or loss'	(29,615)	181,792
	78,787	40,854
Decrease in assets		
Investments	169,095	368,870
Profit and Dividend receivable	(9,600)	(12,796)
Receivable against sale of investments	-	-
Advances, deposits and other receivables	(4)	(8)
	159,491	356,066
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,128)	(1,452)
Payable to the Trustee	(21)	(84)
Payable to the Securities and Exchange Commission of Pakistan	(62)	(980)
Accrued expenses and other liabilities	2,198	(3,703)
	987	(6,219)
Net cash generated from operating activities	239,265	390,701
Net receipts from issue of units	232,247	698,959
Net payments on redemption of units	(479,536)	(1,093,344)
Net cash (used in) from financing activities	(247,289)	(394,385)
Net (decrease) in cash and cash equivalents during the period	(8,024)	(3,684)
Cash and cash equivalents at the beginning of the period	22,750	63,745
Cash and cash equivalents at the end of the period	14,726	60,061

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Financial Sector Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on January 10, 2018 between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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 is an open-ended mutual fund and is listed on the Pakistan Stock Exchange. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange.

The Fund is categorized as an Open-End "Financial Sector Equity Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorization of Collective Investment Schemes (CIS).

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 AM 1 to the Management Company. The Fund has not yet been rated.

The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up on the occurrence of certain events as specified in the offering document of the Fund.

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, 2020.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2020 that have a material effect on the financial statements of the Fund.

4 INVESTMENTS

Financial assets at fair value through profit or loss

- Listed equity securities

Note	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	----- Rupees in '000 -----	
4.1	<u>412,638</u>	<u>552,118</u>

4.1 Investments in shares of listed companies at fair value through profit or loss

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2021	Investment as a percentage of			
						Market Value as at March 31, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
						(Rupees in '000)		%	
COMMERCIAL BANKS									
Allied Bank Limited	432,500	26,000	-	216,500	242,000	17,141	3.94	4.15	0.02
Askari Bank Limited	-	530,000	-	90,000	440,000	8,598	1.98	2.08	0.03
Bank Al-Falah Limited	2,394,350	18,000	-	1,080,500	1,331,850	40,595	9.33	9.84	0.07
Bank Al-Habib Limited	1,351,000	106,000	-	606,500	850,500	55,317	12.72	13.41	0.08
Bank Of Punjab Limited	3,020,000	-	-	1,932,500	1,087,500	8,754	2.01	2.12	0.04
Faysal Bank Limited	996,875	378,500	-	424,500	950,875	15,385	3.54	3.73	0.06
Habib Bank Limited	849,000	258,381	-	466,700	640,681	74,434	17.11	18.04	0.04
Habib Metropolitan Bank Limited	-	287,000	-	-	287,000	10,323	2.37	2.50	0.03
MCB Bank Limited	327,200	-	-	167,500	159,700	27,492	6.32	6.66	0.01
National Bank Of Pakistan	640,000	-	-	640,000	-	-	-	-	-
United Bank Limited	656,300	237,500	-	340,000	553,800	65,869	15.14	15.96	0.05
Meezan Bank Limited	259,050	74,500	20,755	119,000	235,305	26,632	6.12	6.45	0.02
INSURANCE									
Adamjee Insurance Company Limited	2,053,500	-	-	946,500	1,107,000	43,428	9.98	10.52	0.32
IGI Holdings Limited	122,000	61,000	-	73,100	109,900	18,670	4.29	4.52	0.08
					7,996,111	412,638	95	100	

Carrying value as at March 31, 2021

383,023



- 4.2** Investments include shares with market value of Rs 96.037 (June 30, 2019: Rs 102.055) million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the SECP.

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as disclosed in note 9.1 to the half year reviewed financial statements of the Fund for the half year ended December 31, 2020.

The Fund, being prudent, recognised provision for SWWF amounting to Rs.2.20 million as at March 31, 2021 in this condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2021 would have been higher by Rs. 0.0443 per unit (June 30, 2020: Nil)

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

7 SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 2% per annum of the net assets of the Fund.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2020 is 4.83% (2019: 3.88%) which includes 0.73% (2019: 0.24%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant equity scheme'.

10 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 10.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, 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 and unit holders holding ten percent or more units of the Fund.

- 10.2** The transactions with connected persons / related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.



10.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

10.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

-----Unaudited -----

Nine months ended

March 31,
2021

March 31,
2020

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

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

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	6,764	9,383
Sindh sales tax on remuneration of the Management Company	879	1,220
Accounting and operational expenses	570	614
Selling and marketing expense	7,795	7,248
Sale load and transfer load during the period	-	157

Central Depository Company of Pakistan Limited - Trustee

Remuneration	902	1,221
Sindh Sales Tax on remuneration of Trustee	117	159

Employees of the Management Company

Units issued / transferred In 81,877,526 (2020: 761,860)	946,047	7,325
Units redeemed / transferred out 72,830,453 (2020: 823,514)	839,901	7,852

Portfolios Managed by Management Company

Units issued / transferred In 8,063,286 (2020: Nil)	95,532	-
Units redeemed / transferred out 9,944,075 (2020: 2,491,783)	108,167	23,529

Taurus Securities Limited (Subsidiary of Parent)

Brokerage	50	107
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Bank Islami Pakistan Limited (Common Directorship)

Profit on bank deposits	302	2,338
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National Bank of Pakistan (Parent Company)

Shares purchased: Nil (2020: 588,500)	-	19,313
Shares sold: 640,000 (2020: 340,500)	24,668	10,565

Pakistan Stock Exchange Limited

Listing fee paid	25	25
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National Clearing Company of Pakistan Limited

NCCPL charges	251	228
---------------	-----	-----

United Bank Limited (More than 10% unit holding in the Fund)

Shares purchased: 1,976,881 (2020: 664,000)	120,105	90,246
Shares sold: 7,103,300 (2020: 1,062,600)	359,405	164,184
Dividend Income	5,261	-
Profit on bank deposits	30	21



-----Unaudited -----
Nine months ended
March 31, March 31,
2021 2020
------(Rupees in '000)-----

CDC Trustee NBP Sarmaya Izafa Fund

Sell of equity securities: 671,500 (2020: Nil)

9,526

-

**** Omer Farooq Kabir Sheikh (More than 10% unit holding in the Fund)**

Units issued / transferred In 5,514,726 (2020: Nil)

50,050

-

*** Pak Brunei Investment Company Limited**

(More than 10% unit holding in the Fund)

Units issued / transferred In Nil (2020: 40,056,505)

-

400,020

Units redeemed / transferred out Nil (2020: 24,747,547)

-

264,333

Un-audited
March 31,
2021

Audited
June 30,
2020

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

10.6 Amounts outstanding as at period end

NBP Fund Management Limited - Management Company

Remuneration payable to the Management Company

572

714

Sindh Sales Tax on remuneration of Management Company

74

93

Accounting and operational charges

188

146

Selling and marketing expenses

2,462

2,091

Sales load and transfer load payable

16

1,237

Sindh Sales Tax payable on sales load and transfer load

2

161

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable

76

95

Sindh Sales Tax on remuneration

10

12

Security deposit

100

100

Employees of the Management Company

Units held - 585,896 (June 30, 2020: 162,097)

5,125

1,240

National Bank of Pakistan - Parent Company

Shares held - Nil (June 30, 2020: 640,000)

-

17,696

Portfolios Managed by Management Company

Units held - 32,016 (June 30, 2020: 5,773,289)

280

44,159

BankIslami Pakistan Limited - (Common Directorship)

Bank balances

6,146

7,636

Profit receivable

7

41

United Bank Limited (More than 10% unit holding in the Fund)

Units held - 24,926,964 (June 30, 2020: 24,926,964)

218,046

190,664

Shares held - 553,800.00 (June 30, 2020: 656,300)

65,869

67,835

Dividend Receivable

5,261

-

Profit receivable

6

-



	Un-audited March 31, 2021	Audited June 30, 2020
	------(Rupees in '000)-----	
** Omer Farooq Kabir Sheikh (More than 10% unit holding in the Fund)		
Units held - 5,514,726 (June 30, 2020: Nil)	48,240	-
* Pak Brunei Investment Company Limited (More than 10% unit holding in the Fund)		
Units held - Nil (June 30, 2020: 22,502,305)	-	172,118
National Clearing Company of Pakistan Limited		
NCCPL charges payable	25	25
Security deposit	2,500	2,500

* Current balances with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

** Comparative transactions with these parties have not been disclosed as these parties were not related in last year

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on **April 30, 2021**.

12 GENERAL

12.1 Figures have been rounded off to the nearest thousand rupees.

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.

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