



NBP Fund Management Limited



NBP FINANCIAL SECTOR FUND

QUARTERLY REPORT
SEPTEMBER 30, 2022

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
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Ruhail Muhammad	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Mr. Saad Amanullah Khan	Member
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member

Human Resource Committee

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

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Ruhail Muhammad	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shahra-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
Bank Islami Pakistan Limited
National Bank of Pakistan

Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

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, 2022.

Fund's Performance

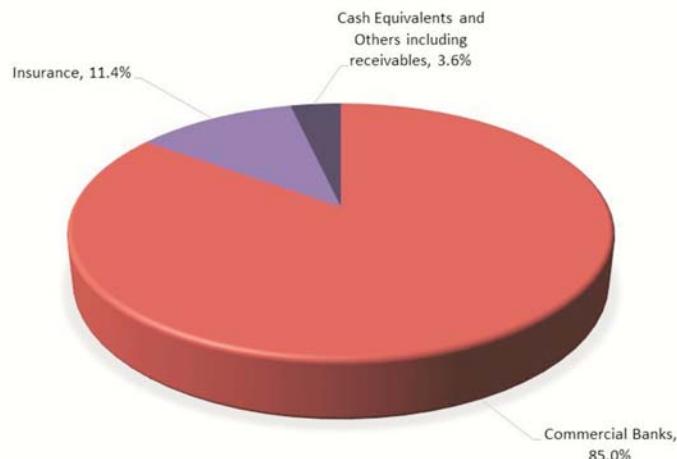
Equity market performance remained muted during 1QFY23, as the benchmark KSE-100 index fell by 412 points, translating into a modest decline of 1% for the period. Throughout the quarter, the market remained volatile and oscillated within a range driven by the news-flow.

The lackluster price performance of the market was despite robust corporate earnings announcement during the period, which showcased that FY22 corporate profitability rose by around 12% despite imposition of 10% super tax. However, it did not translate into a commensurate stock market performance as weak macro-economic indicator casted doubt on sustainability and outlook. Investors narrowly focused on elevated current account deficit, which stood at around USD 2.2 billion, record high inflation which averaged around 25.1% during the period, and depleting reserves held by SBP which fell sharply by USD 1.9 billion to stand around USD 7.9 billion at end of September. PKR continued to depreciate against USD, as it fell by another PKR 23.7 per USD (drop of 11.6%), which also dented the sentiment. During mid of quarter, we saw sharp rebound in the market, as IMF program was successfully resumed followed by receipt of loan tranche of USD 1.2 billion. However, the gains were short lived as unprecedented rains resulted into mass floods in the country resulting in massive devastation with an estimated economic loss of around USD 30 billion. It further worsened the economic outlook, as GDP estimates were trimmed down to 2% from 3% to 4% and inflation expectations were also revised upwards. The floods may also worsen the balance of trade as it will necessitate higher imports due to loss of cotton crop, potential wheat shortfall, and due to some decline in rice exports. On the external side, the participants were concerned about the elevated contractual payments on financial account, due to impending external loan repayments. The international bond yields of certain instruments rose to record high level during the quarter.

In terms of sector wise performance, Cements, Engineering, Food & Personal Care, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Technology & Communication, Textile Composite and Transport sectors outperformed the market. On the other hand, Auto Assemblers, Fertilizers, Insurance, Oil & Gas Exploration, Pharmaceutical, and Refinery sectors lagged the market. On participants-wise market activity, Individuals and Foreigners emerged the largest net buyers with inflows of around USD 23 million and USD 17 million, respectively. On the contrary, Insurance & Mutual Funds lowered their net holdings by around USD 41 million and USD 35 million, respectively.

The size of NBP Financial Sector Fund has decreased from Rs. 372 million to Rs 341 million during the period, i.e., a decrease of 8%. During the period, the unit price of NBP Financial Sector Fund (NFSF) has decreased from Rs 8.2214 on June 30, 2022 to Rs. 8.0371 on September 30, 2022, thus showing a decrease of 2.2%. The Benchmark for the same period was decreased by 1.2%. Thus, the Fund has underperformed its Benchmark by 1.0% during the period under review. Since inception, the unit price of NBP Financial Sector Fund has decreased from Rs. 9.6486 (Ex-Div) on February 14, 2018 to Rs. 8.0371 on September 30, 2022, thus showing a decrease of 16.7%. The Benchmark for the same period was decreased by 4.4%. Thus, the Fund has underperformed its Benchmark by 12.3% during the period under review. This performance is net of management fee and all other expenses.

NBP Financial Sector Fund has incurred a loss of Rs. 3.71 million during the period. After incurring total expenses of Rs. 4.28 million, the total loss is Rs. 7.99 million. The asset allocation of the Fund as on September 30, 2022 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

Date: October 29, 2022
 Place: Karachi.

Director

ڈائریکٹریٹ رپورٹ

NBP فنڈ میجنٹ لیمیٹڈ کے یورڈ آف ڈائریکٹریز بھڈ میسرت 30 ستمبر 2022ء کو ختم ہونے والی پہلی سہ ماہی کے لئے NBP ناٹریشنل فیش فنڈ (NFSF) کے غیر جائز شدہ کنٹریٹ مالیاتی گوشوارے پیش کرتے ہیں۔

فندکی کارکردگی

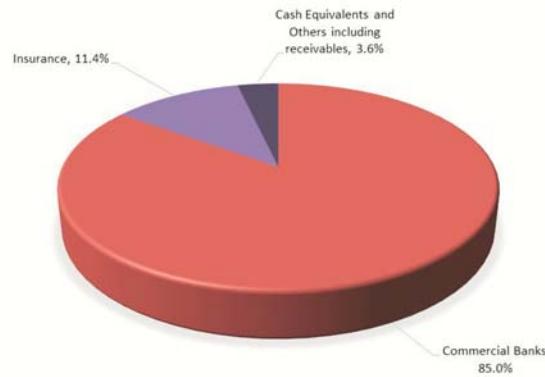
اس عرصے کے دوران ملکیت کا اعلان کے باوجود مارکیٹ کی قیمت کا کردار گی شستہ رہی، جس سے ظاہر ہوتا ہے کہ مالی سال 2022 میں 10% پر لیکس کے نفاذ کے باوجود کارپوریٹ منافع تقریباً 12% رہا۔ تاہم، اس کا نتیجہ اشک مارکیٹ کی کارکردگی کے مطابق حاصل نہیں ہوا کیونکہ تزور میکرو اکنام اشاروں نے استھان اور مستقل کے نقطہ نظر پر شکوہ و شہادت کا اظہار کیا۔ سرمایہ کاروں نے بلند کرنٹ کا وہ خارے، جو کہ تقریباً 2.2 ملین امریکی ڈالر تھا، پر خاص توجہ مرکوز رکھی، ریکارڈ بلند افراتراز جو اس مدت کے دوران تقریباً 25 فیصد تھی، اور اسٹیٹ بینک کے خارج میں 1.9 ملین امریکی ڈالر سے کمی کے باعث تبرکے اختام پر 7 ملین امریکی ڈالر کے تقریب پہنچ گیا۔ امریکی ڈالر کے مقابلے میں پاکستانی روپیہ مسلسل گرتا رہا، اور اس میں مزید 23.7 پاکستانی روپیہ نے امریکی ڈالر (کمی) کی گروہت ہوئی، جس نے جذبات کو بھی محروم کیا۔ سماں کے وسط میں مارکیٹ میں تیزی سے بہتری، کمی گئی، کیونکہ IMF پروگرام کا میابی کے ساتھ دوبارہ شروع ہوا جس کے تحت 11.6% کی گروہت ہوئی۔ یو ایکسٹر ہم میں مارکیٹ میں تیزی سے بہتری، کمی گئی، کیونکہ IMF پروگرام کا میابی کے ساتھ دوبارہ شروع ہوا جس کے تحت 1.2 ملین امریکی ڈالر کے قرض کی قسط موصول ہوئی۔ تاہم، یو ایکسٹر ہم میں مارکیٹ میں بڑے پیمانے پر سیال آیا جس کے نتیجے میں تقریباً 30 ملین امریکی ڈالر کے اقتصادی نقصان کے ساتھ بڑے پیمانے پر بڑی ہوئی۔ اس نے معافی نقطہ نظر کو میر پیرا برابر کر دیا، کیونکہ جی ڈی بی کے 3% تا 4% تغییر کو کر کے 2% تک کر دیا گیا اور افراتراز رکی تو قعات کو بھی بڑھانے پر نظر ثانی کی گئی۔ سیال بس تجارت کا توازن بھی یگزٹکتا ہے کیونکہ اس سے کپاس کی فصل کے نقصان، گندم کی مکانکی اور چاول کی برآمدات میں کچھ کمی کی وجہ سے زیادہ درآمدات کی ضرورت ہوگی۔ پروری کا نجات سے، شرکاء بیرونی قرضوں کی واپسی کی وجہ سے مالی کا وہ نت پر معاپدے کی ادائیگیوں میں اضافے کے بارے میں فکر مند تھے۔ سماں کے دوران میں الاقوامی بانڈ کا منافع بعض آلات میں ریکارڈ بلند نظر پہنچ گیا۔

سکیلز و ارکار کر دگی کے لحاظ سے سیمٹ، انچیزٹر نگ، فوڈ اینڈ پرنسل سیئر، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پیپر اینڈ بورڈ، پاپ جزیشن اور ڈسٹری یوشن، چینا لو جی اور کمکنیکشن، ٹیکسٹائل کمپوزٹ اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کار کر دگی کا مظاہرہ کیا۔ وسری جانب آٹو اسکلر ز فرٹیلائزرز، انشورنس، آئل اینڈ گیس ایکسپلوریشن، فارم اسیبیو میکل اور ریفارمیزی کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، انقدری اور غیر ملکی بالاتر تیب 32 میلین امریکی ڈالار اور 17 میلین امریکی ڈالار کے ساتھ ہوئے خالص خریدار رہے۔ اس کے برکس، انشورنس اور میڈیچل فنڈز نے اپنی خاص ہولڈنگز کو بالاتر تیب 41 میلین امریکی ڈالار اور 35 میلین امریکی ڈالار تک کم کیا۔

NBP نیشنل سیکل فنڈ کا سائز اس مدت کے دوران 372 ملین روپے سے کم ہو کر 341 ملین روپے ہو گیا، یعنی 8% کی کمی ہوئی۔ اس مدت کے دوران، NBP نیشنل سیکل فنڈ (NFSF) کے یونٹ کی قیمت 30 جون 2022 کو 8.2214 روپے سے کم ہو کر 8.0371 تیری 2022 کو 8.0 روپے ہو چکی ہے، لہذا 2.2% کی کمی ظاہر کی۔ اسی مدت کے دوران بیچ مارک میں 1.2% کی کمی ہوئی۔ لہذا افٹر نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 1.0% ایٹر کر کر دکھائی۔ اپنے قیام 14 فروری 2018 سے اب تک فنڈ کے یونٹ کی قیمت 9.6486 روپے سے کم ہو کر 8.0371 تیری 2022 کو کم ہو گی، لہذا 16.7% کی کمی ہوئی ہے۔ اسی مدت کے لئے بیچ مارک میں 4.4% کی کمی ہوئی۔ لہذا، زیر جائزہ مدت کے دوران فنڈ کی کار کر دکی اپنے بیچ مارک سے بیچ مارک کے 12.3% ایٹر ہی۔ یہ کار کر دکی میختہ فیں اور دیگر تمام اخراجات کے بعد غاص سے۔

NBP فیکٹیوں سیکھ فیڈنے موجودہ مدت کے دوران 3.71 ملین روے کا مجموعی نقصان ہوا۔ 4.28 ملین روے کے اخراجات منہا کرنے کے بعد معاصر نقصان 7.99 ملین روے ہے۔

30 ستمبر 2022 کے مطابق فنڈ کی ایسٹ ایمیکیشن حصہ ذیل ہے:



NPSF کی کارکردگی بمقابلہ نیچے مارک



اٹھارہ تکشیر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میکنینگ کمپنی پر اعتماد، اعتماد اور خدمت کا موقع فراہم کرنے پر اپنے قابل مدرسہ ہو لیڈر زکا شکر یاد کرتا ہے۔ یہ سیکورٹیز اینڈ ایچیمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور ہمہ ای کے لئے ان کے ملکی رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اشاف اور رٹن کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

مجانب بورڈ آف ڈائریکٹر
فنڈ میجمنٹ لیمیٹڈ
NBP

ڈائریکٹر

چیف ایگزیکیوٹو آفیسر

تاریخ: 29 اکتوبر 2022

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022

		(Un-Audited)	(Audited)
		September 30, 2022	June 30, 2022
Assets			
Bank balances		12,275	13,757
Investments		328,754	359,045
Profit and dividend receivable		230	268
Deposits and other receivable		2,968	2,948
Preliminary expenses and floatation costs		245	414
Total assets		344,472	376,432
Liabilities			
Payable to NBP Fund Management Limited - Management Company		2,571	3,034
Payable to the Central Depository Company of Pakistan Limited - Trustee		66	73
Payable to the Securities and Exchange Commission of Pakistan		18	89
Accrued expenses and other liabilities		678	740
Total liabilities		3,333	3,936
NET ASSETS		341,139	372,496
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		341,139	372,496
CONTINGENCIES AND COMMITMENTS	5		
NUMBER OF UNITS IN ISSUE			Number of units
		42,445,718	45,308,186
NET ASSET VALUE PER UNIT		8.0371	8.2214

The annexed notes from 1 to 11 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, 2022

	Note	Quarter ended September 30, 2022	Quarter ended September 30, 2021
		Rupees in '000	
Income			
Profit on bank deposits		268	123
Dividend income		10,147	10,238
Gain on sale of investments - net		855	76
Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(14,981)	(1,124)
Total (loss) / Income		(3,711)	9,313
Expenses			
Remuneration of NBP Fund Management Limited - Management Company		1,362	1,688
Sindh Sales Tax on remuneration of the Management Company		177	219
Reimbursement of Accounting and operational expenses		182	210
Reimbursement of Selling and marketing expenses	6	1,861	2,257
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		182	225
Sindh Sales Tax on remuneration of the Trustee		24	29
Annual fees to the Securities and Exchange Commission of Pakistan		18	23
Securities transaction cost		56	35
Auditors' remuneration		165	161
Amortization of preliminary expenses and floatation costs		169	169
Annual listing fee		7	7
Printing charges		18	18
Legal and professional charges		30	46
Settlement and bank charges		26	101
Total operating expenses		4,277	5,188
Net (loss) / Income from operating activities		(7,988)	4,125
Reversal of Provision against Sindh Workers' Welfare Fund		-	2,695
Net (loss) / Income for the period before taxation		(7,988)	6,820
Taxation	7	-	-
Net (loss) / Income for the period after taxation		(7,988)	6,820
Allocation of net income for the period			
Net income for the period after taxation		-	6,820
Income already paid on units redeemed		-	(417)
		-	6,403
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		-	6,403
		-	6,403

The annexed notes from 1 to 11 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	Rupees in '000	
Net (loss) / Income for the period after taxation	(7,988)	6,820
Other comprehensive income for the period	-	-
Total comprehensive (loss) / Income for the period	(7,988)	6,820

The annexed notes from 1 to 11 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022			Quarter ended September 30, 2021		
	Rupees in '000					
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at beginning of the period	636,012	(263,516)	372,496	672,914	(227,729)	445,185
Issue of 2,919,238 units (2021: 1,750,894 units)						
- Capital value	24,000	-	24,000	15,585	-	15,585
- Element of income	646	-	646	410	-	410
Total proceeds on issuance of units	24,646	-	24,646	15,995	-	15,995
Redemption of 5,781,706 units (2021: 4,531,494 units)						
- Capital value	(47,534)	-	(47,534)	(40,337)	-	(40,337)
- Element of loss	(481)	-	(481)	(165)	(417)	(582)
Total payments on redemption of units	(48,015)	-	(48,015)	(40,502)	(417)	(40,919)
Total comprehensive (loss) / income for the period	-	(7,988)	(7,988)	-	6,820	6,820
Net income for the period after distribution	-	(7,988)	(7,988)	-	6,820	6,820
Net assets at end of the period	612,643	(271,504)	341,139	648,407	(221,326)	427,081
Undistributed loss brought forward						
Realised (loss)	(209,764)				(277,812)	
Unrealised (loss) / gain	(53,752)				50,083	
	(263,516)				(227,729)	
Accounting income available for distribution						
- Relating to capital gains	-				-	
- Excluding capital gains	-				6,403	
						6,403
Net (loss) for the period after taxation		(7,988)			-	
Undistributed loss carried forward		(271,504)			(221,326)	
Undistributed loss carried forward						
- Realised loss	(256,523)				(220,202)	
- Unrealised loss	(14,981)				(1,124)	
	(271,504)				(221,326)	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			8.2214			8.9014
Net assets value per unit at end of the period			8.0371			9.0421

The annexed notes from 1 to 11 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, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
Rupees in '000		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / Income for the period before taxation	(7,988)	6,820
Adjustments for:		
Amortization of preliminary expenses and floatation costs	169	169
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	14,981	1,124
	15,150	1,293
Decrease in assets		
Investments	15,310	16,084
Profit and dividend receivable	38	(2,480)
Receivable against sale of investments	-	(7,047)
Deposits and other receivable	(20)	(21)
	15,328	6,536
(Decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	(463)	24
Payable to the Central Depository Company of Pakistan Limited - Trustee	(7)	(2)
Payable to the Securities and Exchange Commission of Pakistan	(71)	(90)
Accrued expenses and other liabilities	(62)	(3,470)
	(603)	(3,538)
Net cash generated from operating activities	21,887	11,111
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	24,646	15,995
Net payments against redemption of units	(48,015)	(28,407)
Net cash (used in) financing activities	(23,369)	(12,412)
Net (decrease) in cash and cash equivalents	(1,482)	(1,301)
Cash and cash equivalents at the beginning of the period	13,757	13,827
Cash and cash equivalents at the end of the period	12,275	12,526

The annexed notes from 1 to 11 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, 2022

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, 2022.

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, 2022.

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, 2022.

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, 2022. 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, 2022.

(Un-Audited)	(Audited)
September 30, 2022	June 30, 2022

4 INVESTMENTS Note Rupees in '000

At fair value through profit or loss

Quoted equity securities

4.1

328,754 359,045

4.1 Investments in equity securities - listed

Shares of listed companies - fully paid up ordinary shares with a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	As at July 1, 2022	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2022	Market Value as at September 30, 2022	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	104,500	-	-	45,000	59,500	3,862	1.13	1.17	0.01
Bank Al-Falah Limited	1,633,770	-	-	97,000	1,536,770	47,855	14.03	14.56	0.09
Bank Al-Habib Limited	909,871	15,000	-	29,830	895,041	48,332	14.17	14.70	0.08
Bank Of Punjab Limited	815,063	-	-	-	815,063	4,393	1.29	1.34	0.03
Faysal Bank Limited	1,462,875	-	-	157,000	1,305,875	34,384	10.08	10.46	0.09
Habib Bank Limited	569,081	-	-	49,197	519,884	36,241	10.62	11.02	0.04
MCB Bank Limited	51,900	-	-	7,200	44,700	5,342	1.57	1.62	0.00
Meezan Bank Limited	303,266	-	27,387	32,400	298,253	32,733	9.60	9.96	0.02
Habib Metropolitan Bank Limited	588,000	-	-	-	588,000	20,033	5.87	6.09	0.06
Askari Bank Limited	424,000	389,500	-	-	813,500	14,700	4.31	4.47	0.06
National Bank Of Pakistan	83,000	-	-	13,000	70,000	1,825	0.53	0.56	0.00
United Bank Limited	372,451	-	-	23,400	349,051	40,102	11.76	12.20	0.03
Total as at September 30, 2022					8,216,637	328,754	96	100	
Carrying value as at September 30, 2022						343,735			

4.1.2 Investments include shares with market value of Rs 59.103 (June 30, 2022: 65.557) 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, 2022 and June 30, 2022.

6 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 2.05% per annum of the net assets of the Fund.

7 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 as cash dividend. 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, 2023 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.

8 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.72% (September 30, 2021: 4.61%) which includes 0.25 (September 30, 2021: 024%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "equity" scheme.

9 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 9.1** Connected persons include NBP Fund Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and its connected persons 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, any entity in which the Management Company, its CISs or their connected persons have 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.
- 9.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 9.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 9.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of NBFC Regulations, 2008 and the Trust Deed.
- 9.5** **Details of the transactions with related parties / connected persons during the period are as follows:**

	(Un-Audited)	
	Quarter ended September 30, 2022	Quarter ended September 30, 2021
(Rupees in '000)		
NBP Fund Management Limited - Management Company		
Remuneration for the period	1,362	1,688
Sindh Sales Tax on remuneration of Management Company	177	219
Reimbursement of Selling and marketing expense	1,861	2,257
Reimbursement of Accounting and operational charges	182	210
Sales load and transfer load including SST	-	-
ADC including SST	-	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	182	225
Sindh Sales Tax on remuneration	24	29
Key management personnel of the Management Company		
Units issued during the period - 850,976 (2021: 61,839)	7,282	561
Units redeemed during the period - 851,352 (2021: 119,580)	7,291	1,101
Taurus Securities Limited - (Subsidiary of Parent Company)		
Brokerage expense	5	-

(Un-Audited)

Quarter ended	Quarter ended
September 30, 2022	September 30, 2021

(Rupees in '000)

BankIslami Pakistan Limited - (Common Directorship)

Profit income	184	27
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National Clearing Company of Pakistan Limited - common directorship

Settlement charges	78	76
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United Bank Limited - unit holder with more than 10% holding

Shares sold - 23,400 (2021: 18,000)	2,650	2,177
Dividend Income	1,396	2,165

National Bank of Pakistan - (Parent of the Management Company)

Shares sold - 13,000 (2021: Nil)	363	-
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(Un-Audited)	(Audited)
As at	As at
September 30, 2022	June 30, 2022

9.6 Amounts / balances outstanding as at period end

(Rupees in '000)

NBP Fund Management Limited - Management Company

Remuneration payable to the Management Company	441	486
Sindh sales tax on remuneration of the Management Company	57	63
Sales load and transfer load including SST	30	32
ADC payable including SST	-	-
Reimbursement of Selling and marketing expenses payable	1,861	2,235
Reimbursement of Allocated expenses payable	182	218

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable	59	65
Sindh sales tax payable on trustee fee	7	8
Security deposit	100	100
Settlement charges payable	25	35

Key management personnel of the Management Company

Units held: 8,715 (2022: 9,091)	70	75
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National Bank of Pakistan - (Parent of the Management Company)

Bank balances	106	106
Shares held: 70,000 (2022: 83,000 shares)	1,825	2,320
Dividend receivable	83	83

BankIslami Pakistan Limited - (Common Directorship)

Bank balances	9,919	8,497
Profit receivable	103	89

Portfolio Managed by the Management Company

Units held: 33,193 units (June 30, 2022: Nil units)	267	-
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(Un-Audited)	(Audited)
As at	As at
September 30,	June 30,
2022	2022

(Rupees in '000)

United Bank Limited - unit holder with more than 10% holding

Units held 25,842,766 (2022: 25,842,766)	207,701	212,464
Shares held: 349,051 (2022: 372,451)	40,102	42,135

National Clearing Company of Pakistan Limited - (Common Directorship)

Settlement charges payable	25	34
Security Deposit	2,500	2,500

Taurus Securities Limited - (Subsidiary of Parent Company)

Brokerage payable	-	17
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10 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 29, 2022.

11 GENERAL

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

11.1 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

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Scheme No.5, Clifton, Karachi.

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