



*Managing Your Savings*

**NBP Fund Management Limited**



# **NBP FINANCIAL SECTOR INCOME FUND**

**QUARTERLY** REPORT  
MARCH 31, 2023

**AM1**  
Rated by PACRA

# MISSION STATEMENT

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

# Contents

<b>FUND'S INFORMATION</b>	<b>03</b>
<b>DIRECTORS' REPORT</b>	<b>05</b>
<b>CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES</b>	<b>09</b>
<b>CONDENSED INTERIM INCOME STATEMENT</b>	<b>10</b>
<b>CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME</b>	<b>11</b>
<b>CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND</b>	<b>12</b>
<b>CONDENSED INTERIM CASH FLOW STATEMENT</b>	<b>13</b>
<b>NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION</b>	<b>14</b>

## 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. Khalid Mansoor	Member

### Trustee

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

### Bankers to the Fund

MCB Bank Limited  
JS Bank Limited  
Meezan Bank Limited  
Habib Bank Limited  
United Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Askari Bank Limited  
Habib Metropolitan Bank Limited  
Allied Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited

Samba Bank Limited  
Zarai Taraqati Bank Limited  
MCB Islamic Bank Limited  
Faysal Bank Limited  
The Bank of Punjab  
Albaraka Bank of Pakistan  
Bank Islami Pakistan Limited  
U Microfinance Bank Limited  
Telenor Microfinance Bank Limited  
Khushali Microfinance Bank Limited  
HBL Microfinance Bank Limited  
Mobilink Micro Finance Bank Limited  
Dubai Islamic Bank Pakistan Limited

#### **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, Scheme 5,  
Clifton, Karachi 75600, Pakistan.

#### **Head Office:**

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

#### **Lahore Office:**

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

#### **Islamabad Office:**

1st Floor, Ranjha Arcade  
Main Double Road, Gulberg Greens,  
Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
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 Income Fund (NFSIF)** for the period ended March 31, 2023.

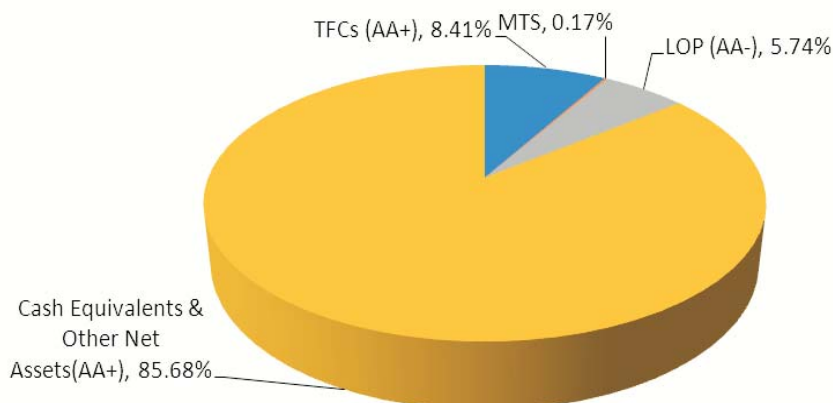
### Fund's Performance

The trading activity in corporate debt securities also, recording cumulative trade value of Rs. 6.2 billion versus Rs. 7.6 billion in the same period last year. During 9MFY23, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings and increased the Policy Rate by 6.25% to 20%. Various stringent administrative measures were taken, however, near-term risks to inflation outlook from external and fiscal adjustments persisted. The CPI inflation averaging at 27.3% YoY coupled with a decline in financial inflows, rising global interest rates and domestic uncertainties, continued to exert pressure on FX reserves and led to significant deterioration in exchange rate. The net liquid foreign exchange reserves with SBP stands at only USD 4.2 billion at March end, posing serious challenges and persistent risks to the financial stability & fiscal consolidation. Sovereign yields also responded to these policy actions and to the rising inflation & interest rate outlook. During the period, SBP held twenty (20) T-Bill auctions realizing a total of Rs. 14.8 trillion against the target of Rs. 16.2 trillion. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 6.4%, 6.0% and 5.9% respectively. Similarly, PIB yields increased by 4.8%, 2.3% and 2.1% for 3-year, 5-year and 10-year tenure, however, there was no market interest in 10-year bond due to the rising interest rate scenario. There were nine (9) PIB auctions held where an amount of around Rs. 969 billion was realized.

The Fund is unique as it invests a minimum 70% of its assets in financial sector (mainly banks) debt securities, instruments or deposits. Minimum entity/instrument rating of debt securities is 'AA-'. This minimizes credit risk and at the same time enhances the liquidity of the Fund. Duration of the Fund cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances the liquidity profile of the Fund. The Fund has been assigned 'A+ (f)' fund stability rating by PACRA.

The size of NBP Financial Sector Income Fund has increased from Rs. 39,200 million to Rs. 43,566 million during the period (an increase of 11%). During the period, the unit price of the Fund has increased from Rs. 9.5327 (Ex-Div) on June 30, 2022 to Rs. 10.7215 on March 31, 2023, thus showing a return of 16.6% as compared to the benchmark return of 17.1% for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 6,827.43 million during the period. After deducting total expenses of Rs. 468.35 million, the net income is Rs. 6,359.09 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NFSIF.



## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 10.280% of the opening ex-NAV (10.846% of the par value) during the period ended March 31, 2023.

## 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**

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**Chief Executive Officer**

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**Director**

Date: April 29, 2023  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2023ء کو ختم ہونے والی نو ماہی کے لئے NBP فنانشل سیکٹرز انکم فنڈ (NFSIF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

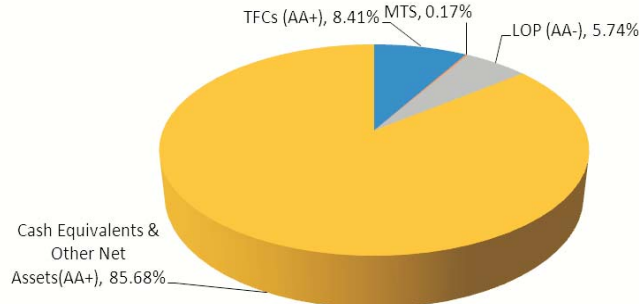
### فنڈ کی کارکردگی

کارپوریٹ ڈیٹ سیکورٹیز نے بھی، پچھلے سال کی اسی مدت میں 7.6 بلین روپے کے برعکس 6.2 بلین روپے کی مجموعی تجارتی قیمت ریکارڈ کی ہے۔ 9MFY23 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چھ اجلاس منعقد کیے اور پالیسی کی شرح میں 6.25 فیصد سے 20 فیصد تک کا اضافہ کیا۔ مختلف سخت انتظامی اقدامات اٹھائے گئے، تاہم، بیرونی اور مالیاتی مطابقت کے باعث افراط زر کے نقطہ نظر سے قلیل مدت کے خطرات برقرار رہے۔ مالیاتی بہاؤ میں کمی، بڑھتی ہوئی عالمی شرح سود اور مقامی غیر یقینی صورتحال کے ساتھ ساتھ 27.3 فیصد سالانہ اوسط CPI افراط زر نے FX ذخائر پر دباؤ ڈالنا جاری رکھا اور شرح مبادلہ میں نمایاں گراؤ کا باعث بنی۔ SBP کے پاس خالص لیکویڈ غیر ملکی زرمبادلہ کے ذخائر مارچ کے آخر میں صرف 4.2 بلین امریکی ڈالر رہ گئے، جو مالیاتی اور مالی استحکام کے لیے سنگین چیلنجز اور مستقل خطرات کا باعث ہیں۔ حکومتی شرح منافع نے بھی ان پالیسی اقدامات اور بڑھتی ہوئی افراط زر اور شرح سود کے نقطہ نظر کا اثر لیا۔ اس مدت کے دوران، SBP نے بیس (20) ٹی۔ بلز نیلامیوں کا انعقاد کیا جس میں 16.2 ٹریلین روپے کے ہدف کے مقابل کل 14.8 ٹریلین روپے کی وصولی ہوئی۔ 3 ماہ، 6 ماہ، 12 ماہ کی مدت کے لیے ٹی۔ بلز پر منافع میں بالترتیب 6.4 فیصد، 6.0 فیصد اور 5.9 فیصد کا اضافہ ہوا۔ اسی طرح، 3 سالہ، 5 سالہ اور 10 سالہ مدت کے لیے PIB کے منافع میں بالترتیب 4.8 فیصد، 2.3 فیصد اور 2.1 فیصد کا اضافہ ہوا، تاہم، شرح سود کے بڑھتے ہوئے تناظر میں 10 سالہ بانڈ میں کسی مارکیٹ نے دلچسپی نہیں دیکھائی۔ نو (9) پی آئی بی کی بنیاد میں منعقد ہوئیں جہاں تقریباً 969 بلین روپے کی رقم وصولی ہوئی۔

یہ فنڈ منفرد ہے کیونکہ یہ اپنے اثاثوں کا کم از کم 70% مالیاتی شعبے (بنیادی طور پر بینکوں) کے قرض کی سیکورٹیز، آلات یا ڈپازٹس میں لگاتا ہے۔ قرض کی ضمانتوں کی کم از کم ہستی/آل کی درجہ بندی 'AA' ہے۔ یہ کریڈٹ رسک کو کم کرتا ہے اور ساتھ ہی فنڈ کی لیکویڈٹی کو بڑھاتا ہے۔ فنڈ کی مدت ایک سال سے زیادہ نہیں ہو سکتی۔ یہ شرح سود یا قیمتوں کے خطرے کو کم کرتا ہے۔ فنڈ اپنے اثاثوں کا 25% Bills یا بینکوں میں بچت کھاتوں میں 90 دنوں سے بھی کم وقت میں لگاتا ہے، جس سے فنڈ کے لیکویڈٹی پروفائل میں مزید اضافہ ہوتا ہے۔ فنڈ کو PACRA کی جانب سے 'A+(f)' فنڈ استحکام کی درجہ بندی تفویض کی گئی ہے۔

NBP فنانشل سیکٹرز انکم فنڈ کا سا سز اس مدت کے دوران 39,200 بلین روپے سے بڑھ کر 43,566 بلین روپے ہو گیا (یعنی 11% کا اضافہ)۔ اس مدت کے دوران، یونٹ کی قیمت 30 جون 2023 کو 9.5327 (Ex-Div) روپے سے بڑھ کر 10.7215 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے بیچ مارک منافع 16.6% کے مقابلے میں 17.1% کا منافع درج کرایا۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 6,827,43 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 468.35 بلین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 6,359.09 بلین روپے ہے۔ درج ذیل چارٹ NFSIF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:







## آمدنی کی تقسیم

بینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لئے اوپننگ ex-NAV کا 10.280% (بنیادی قدر کا 10.846%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے بینجمنٹ 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 ٹھوس رویہ کا بھی اعتراف کرتا ہے۔

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

## مخائب بورڈ آف ڈائریکٹرز

### NBP فنڈ مینجمنٹ لمیٹڈ

## ڈائریکٹرز

## چیف ایگزیکٹو آفیسر

تاریخ: 29 اپریل 2023

مقام: کراچی

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2023

	Note	31 March 2023 Unaudited (Rupees in '000)	30 June 2022 Audited
<b>Assets</b>			
Bank balances	4	36,741,366	33,577,976
Investments	5	6,164,812	4,980,022
Profit and dividend receivables		1,136,234	270,970
Receivable against Margin trading system		75,610	-
Receivable against conversion of units		404	643,253
Advances, deposits and prepayment		6,675	6,617
<b>Total assets</b>		<b>44,125,101</b>	<b>39,478,838</b>
<b>Liabilities</b>			
Payable to NBP Fund Management Limited - Management Company		115,732	65,197
Payable to Central Depository Company of Pakistan Limited - Trustee		3,252	2,804
Payable to Securities and Exchange Commission of Pakistan		8,153	8,598
Payable against redemption of units		16,955	23,339
Accrued expenses and other liabilities		415,004	178,794
<b>Total liabilities</b>		<b>559,096</b>	<b>278,732</b>
<b>Net assets</b>		<b>43,566,005</b>	<b>39,200,106</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>43,566,005</b>	<b>39,200,106</b>
<b>Contingency and commitment</b>	6	<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>4,063,409,111</b>	<b>3,715,311,951</b>
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>10.7215</b>	<b>10.5510</b>

The annexed notes 1 to 13 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 MONTH PERIOD AND QUARTER ENDED 31 MARCH 2023

Note	Nine Months Ended		Three Months Ended	
	MARCH 31,2023	MARCH 31,2022	MARCH 31,2023	MARCH 31,2022
	(Rupees in '000)			
<b>Income</b>				
(Loss)/Gain on sale of investments - net	(11,607)	(12,404)	(7,912)	1,342
Dividend Income	-	1,943	-	-
Income from term deposit receipts	-	9,041	-	-
Income from term finance certificates and commercial paper	487,385	291,208	173,969	101,996
Income from Treasury bill	330,859	152,006	81,465	37,003
Income from PIB	14,705	1,352	14,705	1,352
Income from letter of placement	633,024	313,097	200,285	130,943
Income from margin trading system	45,562	6,201	18,816	1,249
Income on spread transactions	-	49,874	-	-
Income From Commercial Paper	36,925	21,417	-	18,006
Income from certificate of investment	-	4,899	-	-
Profit on bank deposits	5,332,474	2,247,495	1,899,905	842,813
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(41,896)	54,332	(13,684)	(4,998)
<b>Total income</b>	<b>6,827,431</b>	<b>3,140,461</b>	<b>2,367,549</b>	<b>1,129,706</b>
<b>Expenses</b>				
Remuneration to NBP Fund Management Limited - Management Company	208,504	124,219	91,987	10,883
Sindh Sales Tax on remuneration of the Management Company	27,106	16,148	11,959	1,414
Reimbursement of selling and marketing expenses	134,408	43,580	40,501	33,190
Remuneration of Central Depository Company of Pakistan Limited - Trustee	30,275	24,257	9,623	7,376
Sindh Sales Tax on remuneration of the Trustee	3,935	3,152	1,250	957
Annual fee - Securities and Exchange Commission of Pakistan	8,153	6,549	2,646	2,047
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	51,443	36,986	17,022	10,548
Securities transaction costs	258	5,825	185	26
Settlement and bank charges	2,387	1,250	900	129
Annual listing fee	21	21	7	7
Auditors' remuneration	1,114	745	622	349
Legal and Professional charges	139	271	61	45
Mutual fund rating fee	537	399	221	133
Printing charges	67	83	1	9
<b>Total expenses</b>	<b>468,347</b>	<b>263,485</b>	<b>176,985</b>	<b>67,113</b>
<b>Net income from operating activities</b>	<b>6,359,084</b>	<b>2,876,976</b>	<b>2,190,564</b>	<b>1,062,593</b>
Reversal of / (Provision against) for Sindh Workers' Welfare Fund	-	74,725	-	-
<b>Net income for the period before taxation</b>	<b>6,359,084</b>	<b>2,951,701</b>	<b>2,190,564</b>	<b>1,062,593</b>
Taxation	-	-	-	-
<b>Net income for the period after taxation</b>	<b>6,359,084</b>	<b>2,951,701</b>	<b>2,190,564</b>	<b>1,062,593</b>
<b>Allocation of net income for the period</b>				
Net income for the period	6,359,084	2,951,701	2,190,564	1,062,593
Income already paid on units redeemed	(1,603,236)	(981,725)	(519,593)	(289,859)
	<b>4,755,848</b>	<b>1,969,976</b>	<b>1,670,971</b>	<b>772,734</b>
<b>Accounting income available for distribution:</b>				
-Relating to capital gains	-	41,928	-	-
-Excluding capital gains	4,755,848	1,928,048	1,670,971	772,734
	<b>4,755,848</b>	<b>1,969,976</b>	<b>1,670,971</b>	<b>772,734</b>

The annexed notes 1 to 13 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 MONTH PERIOD AND QUARTER ENDED 31 MARCH 2023

	<u>Nine Months Ended</u>		<u>Three Months Ended</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	----- (Rupees in '000) -----			
Net income for the period	6,359,084	2,951,701	2,190,564	1,062,593
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u><b>6,359,084</b></u>	<u><b>2,951,701</b></u>	<u><b>2,190,564</b></u>	<u><b>1,062,593</b></u>

The annexed notes 1 to 13 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 MONTH ENDED 31 MARCH 2023

	Nine Months Ended					
	MARCH 31, 2023			MARCH 31, 2022		
	Value	Undistributed income	Total	Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	38,994,679	205,427	39,200,106	40,465,420	172,178	40,637,598
Issue of 12,644,686,257 units (2022: 8,687,126,229 units)						
- Capital value	133,414,085	-	133,414,085	91,574,472	-	91,574,472
- Element of income	1,533,784	-	1,533,784	895,306	-	895,306
Total proceeds on issuance of units	134,947,869	-	134,947,869	92,469,778	-	92,469,778
Redemption of 12,296,589,097 units (2022: 8,872,236,127 units)						
- Capital value	(129,741,312)	-	(129,741,312)	(93,525,790)	-	(93,525,790)
- Element of loss	(703,505)	(1,603,236)	(2,306,741)	(112,153)	(981,725)	(1,093,878)
Total payments on redemption of units	(130,444,817)	(1,603,236)	(132,048,053)	(93,637,943)	(981,725)	(94,619,668)
Interim Distribution						
2022: 0.2597 on August 20, 2022 (On 26 August. 2021: Re. 0.1369 per unit)						
- Cash distribution	-	(786,883)	(786,883)	-	(340,929)	(340,929)
- Refund of capital	(398,456)	-	(398,456)	(217,063)	-	(217,063)
	(398,456)	(786,883)	(1,185,339)	(217,063)	(340,929)	(557,992)
Interim Distribution						
2022: 0.2581 on October 27, 2022 (On 26 October. 2021: Re. 0.1358 per unit)						
- Capital value	-	(1,167,810)	(1,167,810)	-	(362,414)	(362,414)
- Refund of capital	(127,459)	-	(127,459)	(183,066)	-	(183,066)
	(127,459)	(1,167,810)	(1,295,269)	(183,066)	(362,414)	(545,480)
Interim Distribution						
2022: 0.2738 December 27, 2022 (On 28 December. 2021: Re. 0.633 per unit)						
- Capital value	-	(1,014,733)	(1,014,733)	-	(443,922)	(443,922)
- Refund of capital	(146,287)	-	(146,287)	(159,672)	-	(159,672)
	(146,287)	(1,014,733)	(1,161,020)	(159,672)	(443,922)	(603,594)
Interim Distribution						
2023: 0.2930 February 28, 2023 (On 24 February, 2022: Re. 0.1743 per unit)						
- Capital value	-	(1,123,597)	(1,123,597)	-	(422,131)	(422,131)
- Refund of capital	(127,777)	-	(127,777)	(215,375)	-	(215,375)
	(127,777)	(1,123,597)	(1,251,374)	(215,375)	(422,131)	(637,506)
Total comprehensive income for the period	-	6,359,084	6,359,084	-	2,951,701	2,951,701
<b>Net assets at end of the period</b>	<b>42,697,753</b>	<b>868,252</b>	<b>43,566,005</b>	<b>38,522,079</b>	<b>572,758</b>	<b>39,094,837</b>
Undistributed income brought forward						
- Realised income		164,228			133,362	
- Unrealised loss		41,199			38,816	
		205,427			172,178	
Accounting income available for distribution:						
- Relating to capital gains		-			41,928	
- Excluding capital gains		4,755,848			1,928,048	
		4,755,848			1,969,976	
Interim Distribution for the period		(4,093,023)			(1,569,396)	
Undistributed income carried forward		868,252			572,758	
Undistributed income carried forward						
- Realised income		910,148			518,426	
- Unrealised gain		(41,896)			54,332	
		868,252			572,758	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			10.5510			10.5414
Net assets value per unit at end of the period			10.7215			10.6528

The annexed notes 1 to 13 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 MONTH ENDED 31 MARCH 2023

	Nine months period ended	
	MARCH 31, 2023	MARCH 31, 2022
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	6,359,084	2,951,701
<b>Adjustments for:</b>		
Reversal of / (Provision against) for Sindh Workers' Welfare Fund	-	(74,725)
Net unrealised ( <i>appreciation</i> ) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	41,896	(54,332)
	6,400,980	2,822,644
<b>(Increase) / decrease in assets</b>		
Investments - net	(1,226,686)	6,652,373
Advance, prepayments and other receivables	(58)	(2,492)
Receivable against Margin trading system	(75,610)	107,017
Profit and dividend receivables	(865,264)	115,135
	(2,167,618)	6,872,033
<b>Decrease in liabilities</b>		
Payable to NBP Fund Management Limited - Management Company	50,535	14,515
Payable to Central Depository Company of Pakistan Limited - Trustee	448	153
Payable to Securities and Exchange Commission of Pakistan	(445)	857
Accrued expenses and other liabilities	236,210	(100,032)
	286,748	(84,507)
<b>Net cash generated from / (used in) operating activities</b>	4,520,110	9,610,170
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	134,790,739	91,749,796
Payments against redemption of units	(132,054,437)	(94,374,485)
Distributions paid	(4,093,023)	(1,569,396)
<b>Net cash (used in) / generated from financing activities</b>	(1,356,720)	(4,194,085)
<b>Net increase in cash and cash equivalents during the period</b>	3,163,390	5,416,085
Cash and cash equivalents at beginning of the period	33,577,976	29,289,389
<b>Cash and cash equivalents at end of the period</b>	36,741,366	34,705,474

The annexed notes 1 to 13 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 MONTH ENDED 31 MARCH 2023

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Financial Sector Income Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 11, 2011 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

During the year ended June 30, 2022 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely " Sindh Trust 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 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

The Fund is an open-ended mutual fund classified as an "income scheme" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality financial sector term finance certificates (TFCs) / sukuks, bank deposits and short-term money market instruments.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of AM1' of Management Company and has assigned stability rating of 'A+(f)' to the Fund.

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

### 2 BASIS OF PREPARATION

#### 2.1 STATEMENT OF COMPLIANCE

These 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 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 declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2023.

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

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4	BANK BALANCES	Note	Unaudited	Audited
			31 March 2023	30 June 2022
			(Rupees in '000)	
	In current accounts		325	325
	In savings accounts	4.1	36,741,041	33,577,976
			<u>36,741,366</u>	<u>33,578,301</u>

- 4.1 These accounts carry profit at the rates ranging from 12.25% to 21.45% (30 June 2022: 6.5% to 18.25%) per annum.



5 INVESTMENTS	Note	March 31,	June 30,
		2023 (Un-audited)	2022 (Audited)
		(Rupees in '000)	
<b>Financial assets 'at fair value through profit or loss'</b>			
Term finance certificates and sukuk - listed	5.1	1,048,491	1,682,869
Term finance certificates - unlisted	5.2	2,616,321	2,082,115
Market Treasury bills	5.4	-	-
Pakistan Investment Bonds	5.5	-	33,963
Letter of Placement	5.6	2,500,000	-
		<b>6,164,812</b>	<b>3,798,947</b>
<b>At amortised cost</b>			
Commercial papers	5.7	-	1,181,075
		-	1,181,075
		<b>6,164,812</b>	<b>4,980,022</b>

## 5.1 Term finance certificates - listed

Name of the investee company	As at July 01, 2022	Purchases during the period	Sales / matured during the period	As at March 31, 2023	Market value/ carrying value as at March 31, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
	Number of certificates			(Rupees in '000)	(% )		
JS Bank Limited - TFC	1,150	-	-	1,150	114,515	0.26%	1.86%
Hub Power Company Limited - Sukuk	2,416	-	-	2,416	121,404	0.28%	1.97%
K- Electric - Sukuk	132,576	-	-	132,576	607,272	1.39%	9.85%
Hub Power Company Limited - Sukuk	8,150	-	-	8,150	205,300	0.47%	3.33%
	<b>144,292</b>	<b>-</b>	<b>-</b>	<b>144,292</b>	<b>1,048,491</b>	<b>2.41%</b>	<b>17.01%</b>
Carrying value before fair value adjustments as at 31 March 2023					<b>1,088,259</b>		

## 5.2 Term finance certificates - unlisted

Name of the investee company	As at July 01, 2022	Purchases during the period	Sales / matured during the period	As at March 31, 2023	Market value/ carrying value as at March 31, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
	Number of certificates			(Rupees in '000)	(% )		
Jahangir Siddiqui and Company Limited	28,000	-	-	28,000	17,647	0.04%	0.29%
Jahangir Siddiqui and Company Limited	32,800	-	-	32,800	27,749	0.06%	0.45%
Bank of Punjab	500	-	-	500	50,425	0.12%	0.82%
Askari Commercial Bank Limited	283	-	-	283	286,023	0.66%	4.64%
Hub Power Holding Limited - Sukuk	6,000	-	-	6,000	611,940	1.40%	9.93%
Samba Bank Limited	8,464	-	-	8,464	845,723	1.94%	13.72%
Meezan Bank Limited	172	-	-	172	171,814	0.39%	2.79%
K-Electric-STS-Sukuk	-	500	-	500	500,000	1.15%	8.11%
K-Electric-STS-Sukuk	-	500	500	-	-	0.00%	0.00%
K-Electric-STS-Sukuk	-	500	500	-	-	0.00%	0.00%
K-Electric-STS-Sukuk	-	2,870	2,870	-	-	0.00%	0.00%
Soneri Bank Limited	-	1,050	-	1,050	105,000	0.24%	1.70%
Lucky Electric Power Company Limited	-	470	470	-	-	0.00%	0.00%
	<b>76,219</b>	<b>5,890</b>	<b>4,340</b>	<b>77,769</b>	<b>2,616,321</b>	<b>6.01%</b>	<b>42.44%</b>
Carrying value before fair value adjustments as at 31 March 2023					<b>2,618,434</b>		

## 5.3 Significant terms and conditions of term finance certificates outstanding at the period end are as follows:

Name of securities	Number of certificates	Repayment frequency	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Listed term finance certificates</b>							
JS Bank Limited	1,150	Semi Annually	114,770	6-months KIBOR + 1.40%	29 December 2017	29 December 2024	A+
Hub power company Limited	2,416	Semi Annually	181,200	1-year KIBOR + 1.90%	19 March 2020	19 March 2024	AA+
KE Sukuk	132,576	Quarterly	629,736	3-months KIBOR + 1.70%	3 August 2020	3 August 2027	AA+
Hub power company Limited- Sukuk	8,150	Quarterly	407,500	3-months KIBOR + 1.90%	22 August 2019	22 August 2023	AA+
<b>Unlisted term finance certificates</b>							
Jahangir Siddiqui and Company Limited	28,000	Semi Annually	35,000	6-months KIBOR + 1.40%	18 July 2017	18 July 2022	AA+
Jahangir Siddiqui and Company Limited	32,800	Semi Annually	54,667	6-months KIBOR + 1.40%	6 March 2018	6 March 2023	AA+
Bank of Punjab	500	Semi Annually	49,910	6-months KIBOR + 1.25%	23 April 2018	23 April 2028	AA
Askari Commercial Bank Limited	283	Quarterly	283,000	6-months KIBOR + 1.20%	17 March 2020	17 March 2030	AA
Hub Power Holding Limited - Sukuk	6,000	Semi Annually	600,000	6-months KIBOR + 1.9%	12 November 2020	12 November 2025	AA+
Samba Bank Limited	8,464	Semi Annually	845,892	6-months KIBOR + 1.35%	1 March 2021	1 March 2031	AA-
Meezan Bank Limited	172	Semi Annually	172,000	-	16 December 2021	16 March 2031	AAA
Soneri Bank Limited	1,050	Semi Annually	105,000	6-months KIBOR + 1.71%	26 December 2022	26 December 2031	A+
K-Electric-ST-Sukuks	500	Semi Annually	500,000	-	05 October 2022	26 April 2023	AA

## 5.4 Market Treasury bills

Issue date	Tenor	Face value				Market value/carrying value as at 31 March 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		Semi Annually	Purchases during the year	Sales / matured during the year	As at March 31, 2023			
				(Rupees in '000)				
						(%)		
02 June 2022	6 Months	-	2,000,000	2,000,000	-	0.00%	0.00%	
02 June 2022	3 Months	-	2,900,000	2,900,000	-	0.00%	0.00%	
16 June 2022	3 Months	-	3,000,000	3,000,000	-	0.00%	0.00%	
16 June 2022	3 Months	-	1,800,000	1,800,000	-	0.00%	0.00%	
30 June 2022	3 Months	-	2,600,000	2,600,000	-	0.00%	0.00%	
30 June 2022	3 Months	-	2,200,000	2,200,000	-	0.00%	0.00%	
03 November 2022	3 Months	-	500,000	500,000	-	0.00%	0.00%	
03 November 2022	3 Months	-	3,000,000	3,000,000	-	0.00%	0.00%	
03 November 2022	3 Months	-	3,150,000	3,150,000	-	0.00%	0.00%	
06 October 2022	3 Months	-	500,000	500,000	-	0.00%	0.00%	
08 September 2022	3 Months	-	1,500,000	1,500,000	-	0.00%	0.00%	
08 September 2022	3 Months	-	2,000,000	2,000,000	-	0.00%	0.00%	
08 September 2022	3 Months	-	500,000	500,000	-	0.00%	0.00%	
08 September 2022	3 Months	-	1,000,000	1,000,000	-	0.00%	0.00%	
11 August 2022	3 Months	-	500,000	500,000	-	0.00%	0.00%	
11 August 2022	3 Months	-	700,000	700,000	-	0.00%	0.00%	
11 August 2022	3 Months	-	2,500,000	2,500,000	-	0.00%	0.00%	
11 August 2022	3 Months	-	500,000	500,000	-	0.00%	0.00%	
11 August 2022	3 Months	-	1,000,000	1,000,000	-	0.00%	0.00%	
14 July 2022	3 Months	-	500,000	500,000	-	0.00%	0.00%	
14 July 2022	3 Months	-	2,100,000	2,100,000	-	0.00%	0.00%	
14 July 2022	3 Months	-	2,500,000	2,500,000	-	0.00%	0.00%	
14 July 2022	3 Months	-	200,000	200,000	-	0.00%	0.00%	
14 July 2022	3 Months	-	1,750,000	1,750,000	-	0.00%	0.00%	
17 November 2022	3 Months	-	500,000	500,000	-	0.00%	0.00%	
17 November 2022	3 Months	-	650,000	650,000	-	0.00%	0.00%	
20 October 2022	3 Months	-	2,500,000	2,500,000	-	0.00%	0.00%	
20 October 2022	3 Months	-	13,250,000	13,250,000	-	0.00%	0.00%	
20 October 2022	3 Months	-	4,250,000	4,250,000	-	0.00%	0.00%	
25 August 2022	3 Months	-	1,000,000	1,000,000	-	0.00%	0.00%	
25 August 2022	3 Months	-	1,000,000	1,000,000	-	0.00%	0.00%	
25 August 2022	3 Months	-	150,000	150,000	-	0.00%	0.00%	
28 July 2022	3 Months	-	3,000,000	3,000,000	-	0.00%	0.00%	

# NBP FINANCIAL SECTOR INCOME FUND

Issue date	Tenor	Face value				Market value/carrying value as at 31 March 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		Semi Annually	Purchases during the year	Sales / matured during the year	As at March 31, 2023			
					(Rupees in '000)		(%)	
15 December 2022	3 Months	-	2,900,000	2,900,000	-	-	0.00%	0.00%
04 January 2023	3 Months	-	6,242,515	6,242,515	-	-	0.00%	0.00%
26 January 2023	3 Months	-	4,499,100	4,499,100	-	-	0.00%	0.00%
09 February 2023	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	2,000,000	2,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	2,000,000	2,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	2,900,000	2,900,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	2,000,000	2,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	2,900,000	2,900,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	2,000,000	2,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	2,900,000	2,900,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	3,000,000	3,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	2,000,000	2,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	2,900,000	2,900,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	4,000,000	4,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	4,000,000	4,000,000	-	-	0.00%	0.00%
28 July 2022	3 Months	-	2,500,000	2,500,000	-	-	0.00%	0.00%
		-	133,041,615	133,041,615	-	-	0.00%	0.00%

Carrying value before fair value adjustments as at 31 March 2023

-

## 5.5 PIB

Issue date	Tenor	Face value				Market value/carrying value as at 31 March 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchases during the year	Sales/matured during the year	As at March 31, 2023			
					(Rupees in '000)		(%)	
19 July 2012	10 Years	34,000	-	34,000	-	-	0.00%	0.00%
18 June 2020	3 Years	-	30,000	30,000	-	-	0.00%	0.00%
		<b>34,000</b>	<b>30,000</b>	<b>64,000</b>	-	-	<b>0.00%</b>	<b>0.00%</b>

Carrying value before fair value adjustments as at 31 March 2023

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## 5.6 Letter of Placement

Name of issuer	Maturity date	Face value				Market value/carrying value as at 31 March 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchases during the year	Sales / matured during the year	As at March 31, 2023			
					(Rupees in '000)		(%)	
Pak-Libya Holding Co.	5-Sep-2022	-	500,000	500,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.	5-Sep-2022	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	5-Sep-2022	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Pak-Oman Inv. Co. Ltd.	18-Jul-2022	-	500,000	500,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.	16-Sep-2022	-	500,000	500,000	-	-	0.00%	0.00%
Askari Bank Limited	22-Jul-2022	-	300,000	300,000	-	-	0.00%	0.00%
PAIR Investment Company	5-Aug-2022	-	100,000	100,000	-	-	0.00%	0.00%

# NBP FINANCIAL SECTOR INCOME FUND

Name of issuer	Maturity date	Face value				Market value/carrying value as at 31 March 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchases during the year	Sales / matured during the year	As at March 31, 2023			
		(Rupees in '000)					(%)	
Askari Bank Limited	29-Jul-2022	-	300,000	300,000	-	-	0.00%	0.00%
Pak-Oman Inv. Co. Ltd.	25-Aug-2022	-	4,000,000	4,000,000	-	-	0.00%	0.00%
The Bank of Khyber	26-Aug-2022	-	1,000,000	1,000,000	-	-	0.00%	0.00%
The Bank of Khyber	26-Aug-2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
The Bank of Khyber	26-Aug-2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Brunei Investement	19-Aug-2022	-	5,700,000	5,700,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	6-Sep-2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	12-Sep-2022	-	500,000	500,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	7-Sep-2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	8-Sep-2022	-	2,000,830	2,000,830	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	12-Sep-2022	-	2,001,661	2,001,661	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	6-Jan-2023	-	1,550,000	1,550,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	27-Jan-2023	-	1,564,937	1,564,937	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	30-Jan-2023	-	2,551,627	2,551,627	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	9-Mar-2023	-	1,564,937	1,564,937	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	9-Mar-2023	-	2,551,627	2,551,627	-	-	0.00%	0.00%
Pak-Libya Holding Co.(Pvt.) Ltd.	30-Mar-2023	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak-Oman Inv. Co. Ltd.	16-Sep-2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	16-Sep-2022	-	500,000	500,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.	16-Dec-2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	14-Oct-2022	-	1,500,000	1,500,000	-	-	0.00%	0.00%
JS Bank Limited	26-Oct-2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
JS Bank Limited	28-Oct-2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
JS Bank Limited	4-Nov-2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	4-Nov-2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak-Oman Inv. Co. Ltd.	11-Nov-2022	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	11-Nov-2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
JS Bank Limited	18-Nov-2022	-	1,500,000	1,500,000	-	-	0.00%	0.00%
JS Bank Limited	18-Nov-2022	-	3,500,000	3,500,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	25-Nov-2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
JS Bank Limited	25-Nov-2022	-	5,000,000	5,000,000	-	-	0.00%	0.00%
JS Bank Limited	2-Dec-2022	-	6,000,000	6,000,000	-	-	0.00%	0.00%
JS Bank Limited	9-Dec-2022	-	6,000,000	6,000,000	-	-	0.00%	0.00%
Pak Kuwait Investement	9-Dec-2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Kuwait Investement	16-Dec-2022	-	500,000	500,000	-	-	0.00%	0.00%
Pak Kuwait Investement	20-Jan-2023	-	7,000,000	7,000,000	-	-	0.00%	0.00%
Askari Bank Limited	16-Dec-2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
JS Bank Limited	16-Dec-2022	-	6,000,000	6,000,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.	30-Jan-2023	-	2,500,000	2,500,000	-	-	0.00%	0.00%
JS Bank Limited	20-Dec-2022	-	3,500,000	3,500,000	-	-	0.00%	0.00%
JS Bank Limited	21-Dec-2022	-	3,500,000	3,500,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	31-Jan-2023	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	10-Feb-2023	-	2,900,000	2,900,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	10-Feb-2023	-	600,000	600,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	14-Feb-2023	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak-Libya Holding Co.	30-Mar-2023	-	2,500,000	-	2,500,000	2,500,000	5.74%	40.55%
		-	<b>120,185,619</b>	<b>117,685,619</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>5.74%</b>	<b>40.55%</b>

Carrying value before fair value adjustments as at 31 March 2023

**2,500,000**

## 5.7 Commercial Paper

Issue Description	Face value				Market value/carrying value as at 31 March 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2022	Purchases during the year	Sales/matured during the year	As at March 31, 2023			
	(Rupees in '000)					(%)	
Lucky ICP-2 12-JAN-22 12-JUL-22	395,000	-	395,000	-	-	0.00%	0.00%
China Power CP 12-APR-22 09-OCT-22	433,000	-	433,000	-	-	0.00%	0.00%
Lucky ICP-2 06 May 2022 02 Nov 22	390,000	-	390,000	-	-	0.00%	0.00%
	<b>1,218,000</b>	<b>-</b>	<b>1,218,000</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>

Carrying value before fair value adjustments as at 31 March 2023

**-**

## 6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

## 7 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. The Management Company has charged selling and marketing expenses at the rate of 0.33% 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, 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.

## 9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.15% (March 31, 2022: 0.80%) which includes 0.10% (March 31, 2022: 0.07%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

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

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

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

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

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

	Unaudited	
	Nine months period ended	
	2023	2022
	(Rupees in '000)	
<b>NBP Fund Management Limited - Management Company</b>		
Dividend Reinvest Unit Issued Nil (2022: Nil Units)	-	-
Issue / transfer in of 26,128,908 units (2022: Nil units)	280,000	-
Redemption / transfer out of Nil units (2022: Nil units)	-	-
Remuneration to Management Company	208,504	124,219
Sindh Sales Tax on remuneration of Management Company	27,106	16,148
Sales load	9,998	13,537
Transfer load	852	435
Remuneration to allocation of expenses related to registrar services, accounting, operation and valuation services	51,443	36,986
Remuneration to selling and marketing expenses	134,408	43,580
ADC Share charges	1,649	786
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	30,275	24,257
Sindh Sales Tax on remuneration of Trustee	3,935	3,152
CDC charges	202	588
<b>Employees of the Management Company</b>		
Units Issued / Trasferred In 89,652,330 (2022: 46,286,307 Units)	953,605	489,974
Units Redeemed / Transferred Out 77,371,895 (2022: 37,715,162 Units)	832,248	401,363
Dividend Reinvest Unit Issued 286,151 (2022: 114,930 Units)	3,021	1,212
<b>National Bank of Pakistan - Sponsor</b>		
Markup on bank balance	1,502	91,957
Treasury bill Buy	-	3,224,657
Treasury bill Sell	-	734,156
<b>IMRAN ZAFFAR - DIRECTORS</b>		
Dividend Re-invest Units Issued 8,042 (2022: Nil units)	85	-
Units Issued / Trasferred In 1,137,333 (2022: Nil units)	12,000	-
Units Redeemed / Transferred Out 140,621 (2022: Nil units)	1,500	-
<b>NATIONAL FULLERTON ASSET MANAGEMENT LTD- EMP. PROVIDENT FUND - RELATED PARTY</b>		
Units Issued / Trasferred In (1,499,178) (2022: Nil units)	16,017	-
Units Redeemed / Transferred Out (1,499,178) (2022: Nil units)	16,059	-
<b>Telenor Microfinance Bank Limited</b>		
Markup on bank balance	1,517	105
<b>Khushhali Microfinance Bank Limited</b>		
Markup on bank balance	551,017	81,133
<b>Bank Islami Pakistan Limited</b>		
Markup on bank balance	10,250	48,727
<b>Taurus Securities Limited**</b>		
Brokerage charges	-	211
<b>Khalid Mehmood - CFO</b>		
Dividend Re-invest Units Issued Nil (2022: 210 Units)	-	2
Units Issued / Trasferred In 1 units (2022: Nil units)	-	-
Units Redeemed / Transferred Out in Nil units(2022: 19,285 Units)	-	205

	Unaudited	
	Nine months period ended	
	2023	2022
	(Rupees in '000)	
<b>Baltoro Partners (Pvt) Limited**</b>		
Units Issued / Trasferred In 1,887,881 (2022: 1,887,881 units)	20,000	20,000
<b>Fauji Fertilizer Company Limited</b>		
Dividend Re-invest Units Issued in 24,354,594 (2022: 197,941 Units)	257,075	2,087
Units Issued / Trasferred In 5,129,908,543 (2022: 3,979,018,862 units)	54,571,109	41,980,694
Units Redeemed / Transferred Out 5,633,577,226 (2022: 4,052,551,357 units)	60,543,927	43,293,578
<b>CDC Trustee NBP Government Securities Saving Fund**</b>		
PIB Buy	-	35,787
<b>CDC TRUSTEE NBP INCOME PLAN-I - RELATED PARTY</b>		
Units Issued / Trasferred In 213,953,158 (2022: Nil units)	2,267,428	-
Units Redeemed / Transferred Out 83,713,580 (2022: Nil units)	904,000	
<b>CDC Trustee NBP Money Market Fund</b>		
Treasury bill Buy	-	984,162
<b>HAIDER AMJAD - RELATED PARTY</b>		
Dividend Re-invest Units Issued (511) (2022: Nil units)	5	
Units Issued / Trasferred In 263,474 units (2022: Nil units)	2,820	-
Units Redeemed / Transferred Out 187,675 units (2022: Nil units)	2,021	-
<b>Portfolios Managed by Management Company</b>		
Treasury bill Sell	-	318,595
Dividend Reinvest Unit Issued 2,525,089 (2022: 4,302,804 Units)	26,652	45,369
Issue / transfer in of 648,413,534 units (2022: 242,073,646 units)	6,856,966	2,530,402
Redemption / transfer out of 665,539,158 units (2022: 206,521,624 units)	7,152,101	2,168,887
<b>Ibrahim Holdings Private Limited**</b>		
Dividend Reinvest Unit Issued 114,791,514 (2022: 43,925,315 Units)	1,344,168	463,152
Issue / transfer in of 282,979,425 units (2022: 258,503,553 units)	3,004,000	2,737,000
Redemption / transfer out of Nil units (2022: 414,180,000 units)	-	4,410,500
<b>National Clearing Company of Pakistan Limited*</b>		
Dividend Reinvest Unit Issued Nil (2022: 234,877 Units)	-	2,477
Units Issued / Trasferred In Nil (2022: 1,982,360 units)	-	20,945
Redemption / transfer out of Nil units (2022: 3,345,864 units)	-	35,491
	<b>31 March</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>
<b>10.6 Amounts outstanding as at period / year end:</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>(Rupees in '000)</b>	
<b>NBP Fund Management Limited - Management Company</b>		
Management remuneration payable	29,544	6,630
Sindh Sales Tax payable	8,237	862
Sales load and transfer load payable	17,238	7,636
Sindh Sales Tax on sales and transfer load	2,812	993
Remuneration to selling and marketing expenses	40,059	36,973
Remuneration to Allocation of expenses related to registrar services, accounting, operation and valuation services	17,023	11,242
26,128,908 units held (2022: Nil units)	280,141	-
ADC charges including SST	652	692
Other payable	169	169

	31 March 2023 Unaudited (Rupees in '000)	30 June 2022 Audited
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	2,878	2,481
Sindh sales tax payable on trustee remuneration	374	323
Security deposit	100	100
CDC Charges	150	-
<b>Employees of the Management Company</b>		
15,475,766 units held (2022: 2,909,180 units)	165,923	30,695
<b>National Bank of Pakistan - Parent of the Management Company</b>		
Bank balance	307,347	-
Profit receivable on bank deposit	28	325
Purchased of T-Bills	-	106,171
Sale of T-Bills	-	439
<b>Taurus Securities Limited - (Common Directorship)</b>		
Brokerage charges	-	211
<b>Fauji Fertilizer Company Limited (Common Directorship)</b>		
682,280,814 units held (June 30 2022: 479,314,090 units)	7,268,201	5,057,243
<b>BALTORO PARTNERS PVT LIMITED - Sponsor</b>		
Dividend Re-invest Units Issued Nil units (2022: 33,841 units)	-	357
Units Issued / Trasferred In Nil units (2022: 1,897,307 units)	-	20,000
Units Redeemed / Transferred Out Nil units (2022: 1,400,893 units)	-	15,000
2,832,111 units held (June 30 2022: 1,887,881 units)	30,364	20,000
<b>National Clearing Company of Pakistan - (Common Directorship)*</b>		
Nil units held (June 30 2022: 4,172,578 units)	-	44,025
<b>HAIDER AMJAD (close family member of key management personnel)</b>		
76,310 units held (June 30 2022: Nil units)	818	-
<b>IMRAN ZAFFAR - DIRECTORS</b>		
1,004,754 units held (June 30 2022: Nil units)	10,772	-
<b>Bank Islami Pakistan Limited (Common Directorship)</b>		
Bank balance	168,967	8,078
Profit receivable on bank deposit	4	182
<b>Telenor Microfinance Bank Limited (Common Directorship)</b>		
Bank balance	24	24
Profit receivable on bank deposit	2,242	726
<b>Khushhali Microfinance Bank Limited (Common Directorship)</b>		
Bank Balance	3,674,666	34,022,719
Interest income receivable	71,006	44,436



	31 March 2023 Unaudited (Rupees in '000)	30 June 2022 Audited
<b>CDC TRUSTEE NBP INCOME PLAN-I - RELATED PARTY</b> 130,239,578 units held (June 30 2022: Nil units)	1,396,364	-
<b>Khalid Mehmood - CFO</b> 1 units held (2022: 19,074 units)	-	201
<b>Persons holding directly or indirectly 10% or more of the units in issue / net assets of the Fund</b>		
<b>Ibrahim Holdings Private Limited**</b> 1,383,883,536 units held (30 June 2022: 986,088,690 units)	14,837,307	10,404,222
<b>Portfolios Managed by Management Company</b> 79,779,785 units held (30 June 2022: 83,693,548 units)	855,357	883,049

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

\*\* Comparative balances with these parties have not been disclosed as these parties were not related parties in the last term.

## 11 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

### 11.1 FAIR VALUE HIERARCHY

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

## 12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 29, 2023 by the Board of Directors of the Management Company.

## 13 GENERAL

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

13.2 Corresponding figures have been rearranged and reclassified , wherever necessary, for the purpose of better presentation.

For NBP Fund Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director

## Head Office

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