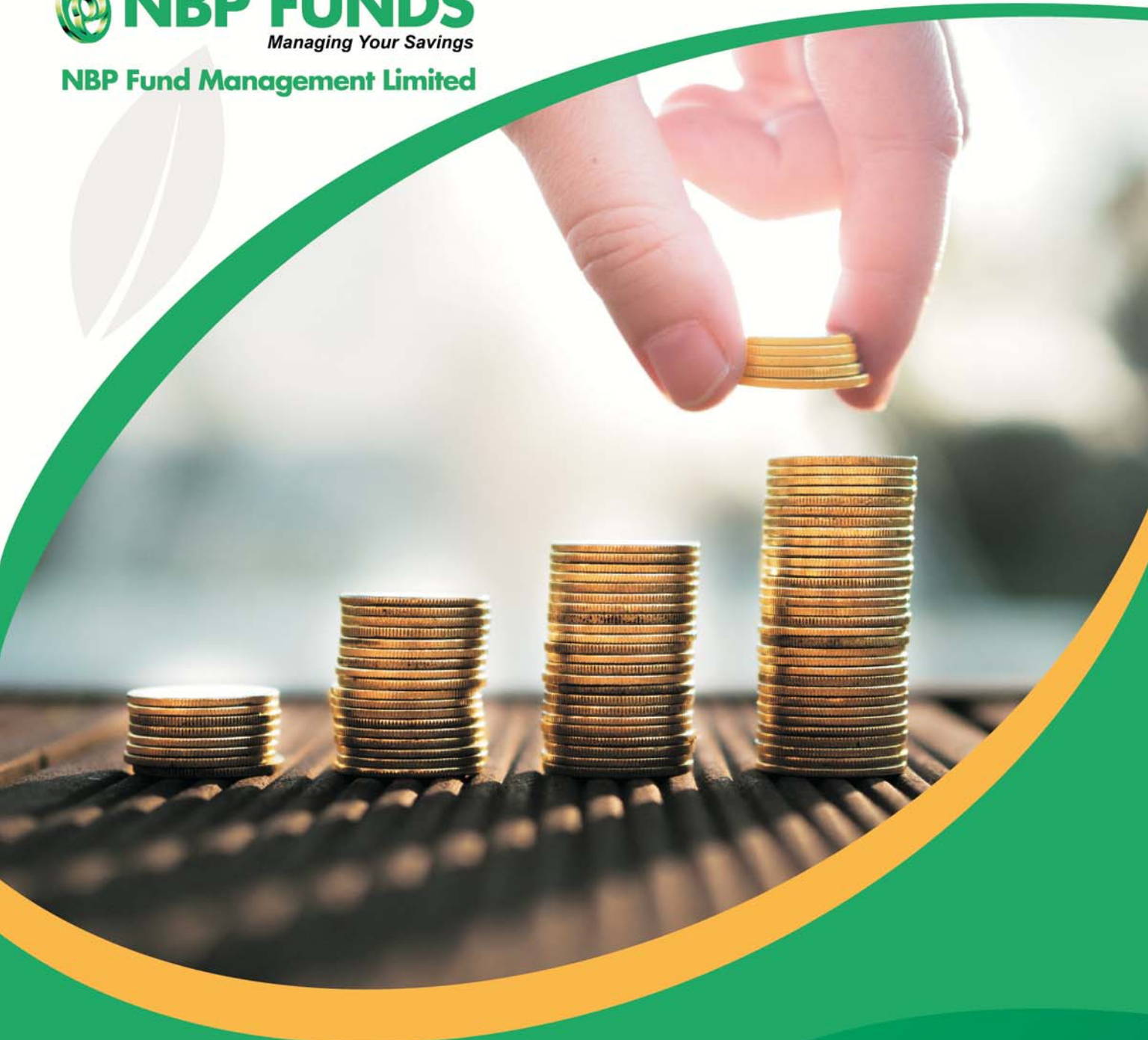




Managing Your Savings

NBP Fund Management Limited



NBP FINANCIAL SECTOR FUND

QUARTERLY REPORT
MARCH 31, 2024

AM1
Rated by PACRA

MISSION STATEMENT

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

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
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
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Tauqeer Mazhar	Member

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
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 Al Habib Limited
Allied Bank Limited
Bankislami 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 financial statements of **NBP Financial Sector Fund (NFSF)** for the period ended March 31, 2024.

Fund's Performance

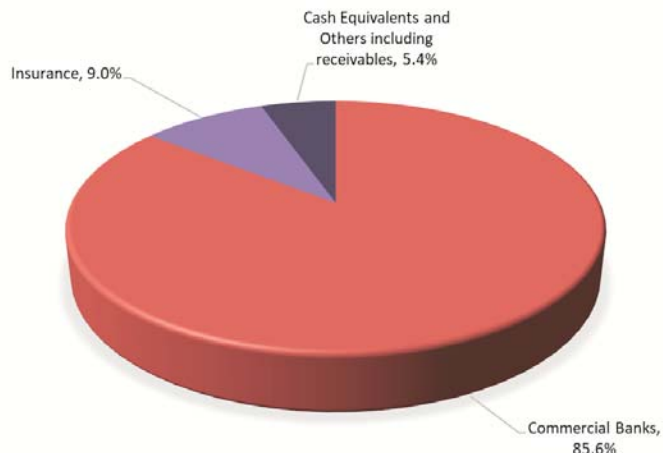
During 9MFY24, the stock market performance remained exceptional as the benchmark KSE-100 index achieved new highs and settled above 67,000 points at period end. During the period under review, KSE-100 Index surged by around 25,500 points, translating into a stellar return of 62%.

The equities started off on a firm footing and the strong performance carried throughout the period. The signing of the Staff Level Agreement (SLA) with IMF on June 29th, 2023 was the turning point for stock market. The IMF executive board approved USD 3 billion Stand-By Agreement (SBA) for nine months until March 2024. It paved the way for other multi-lateral loans and inflows from friendly countries. The multiple loan tranches realized from IMF and deposits from KSA & UAE buttressed the external reserves, averted a possible balance of payment (BoP) crisis and helped restore investors' confidence. Fitch also upgraded Pakistan's Long-Term Foreign Currency Issuer Rating. In tandem with SLA, Pakistan's dollar bonds rallied in the international market. The bond prices across various tenures surged in the range of 100-150% during the period, reflecting increasing investors' optimism of improving external position. Multilateral inflows, particularly from ADB and the World Bank, also gained momentum. Consequently, the State Bank of Pakistan's reserves improved from USD 4.4 billion to USD 8 billion at March end. The improving reserves, coupled with a crackdown against illicit trade in the open market, brought much-needed stability to the currency market. Owing to prudent policies pursued by authorities, the economy also showed signs of stabilization. According to Pakistan Bureau of Statistics (PBS), GDP growth for 1QFY2024 stood at 2.5%, while in 2Q it expanded by 1% on a YoY basis, mainly driven by robust agricultural growth. The current account deficit during July-Feb period was brought down significantly from USD 3.8 bn last year to under USD 1 bn in the current period. Though average inflation remained elevated during the period owing to massive increase in the energy component of the CPI basket and unabated food inflation, the recent readings show that it has somewhat moderated. During the period, the Monetary Policy Committee (MPC) of SBP kept the Policy Rate unchanged at 22%. However, secondary market yields across various tenures fell sharply from their peak, reflecting investors' expectations of impending rate cuts. The listed corporates declared stellar results with equally impressive dividend announcements by select companies. It is noteworthy that the cumulative profitability of KSE-100 listed companies surged by more than 50% YoY during September & December results. Sequential improvement in earnings was also broad-based. In a significant development, one of the largest auto players announced its intention to delist its shares from the bourse, acting as a key catalyst. The delisting price was 7x higher than the prevailing price, reflecting the potential of the stock market.

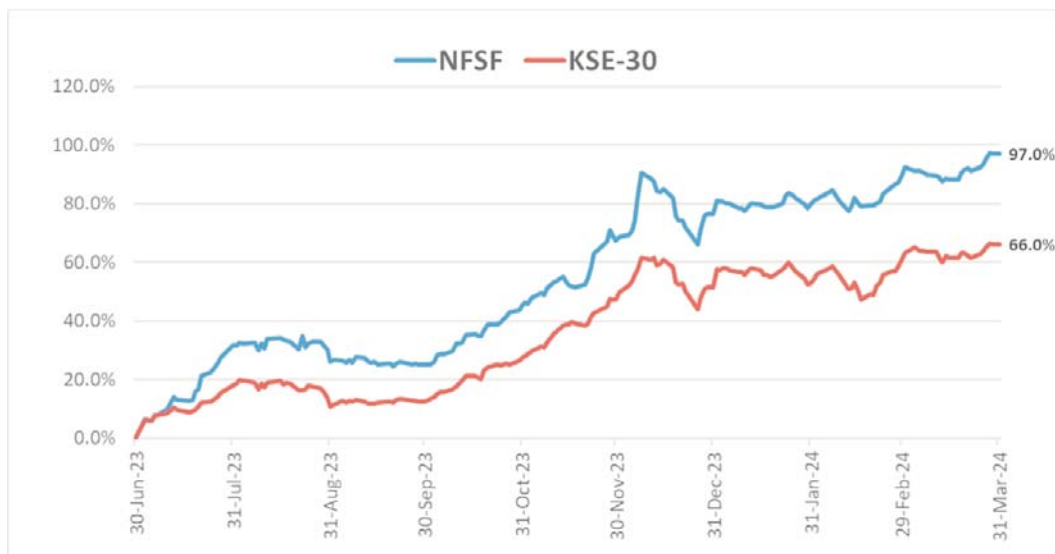
In terms of sector-wise performance, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Commercial Banks, Leather & Tanneries, Oil & Gas Exploration, Power Generation & Distribution, Refinery, and Transport sectors outperformed the market. On the other hand, Cement, Chemicals, Fertilizers, Food & Personal Care, Glass & Ceramics, Insurance, Miscellaneous, Oil & Gas Marketing Companies, Paper & Board, Pharmaceutical, Sugar & Allied, Technology & Communication, and Textile Composite sectors lagged behind the market. Regarding participants' market activity, Insurance, Foreigners and Companies emerged as the largest net buyers with inflows of around USD 121 million, USD 75 million, and USD 31 million, respectively.

The size of NBP Financial Sector Fund has increased from Rs. 93 million to Rs 188 million during the period, i.e., an increase of 102.2%. During the period, the unit price of NBP Financial Sector Fund (NFSF) has increased from Rs 7.7901 on June 30, 2023 to Rs. 15.3481 on March 31, 2024, thus showing an increase of 97.0%. The Benchmark for the same period was increased by 66.0%. Thus, the Fund has outperformed its Benchmark by 31.0% during the period under review. Since inception, the unit price of NBP Financial Sector Fund has increased from Rs. 9.6486 (Ex-Div) on February 14, 2018 to Rs. 15.3481 on March 31, 2024, thus showing an increase of 59.1%. The Benchmark for the same period was increased by 67.8%. Thus, the Fund has underperformed its Benchmark by 8.7% during the period under review. This performance is net of management fee and all other expenses.

NBP Financial Sector Fund has earned a total income of Rs. 86.19 million during the period. After deducting total expenses of Rs. 4.91 million, the net income is Rs. 81.28 million. The asset allocation of the Fund as on March 31, 2024 is as follows:



NFSF Performance versus Benchmark



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: **April 25, 2024**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بھد مسرت 31 مارچ 2024ء کو ختم ہونے والی نو ماہی کے لئے NBP فنانسینشل سیکٹرز فنڈ (NFSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

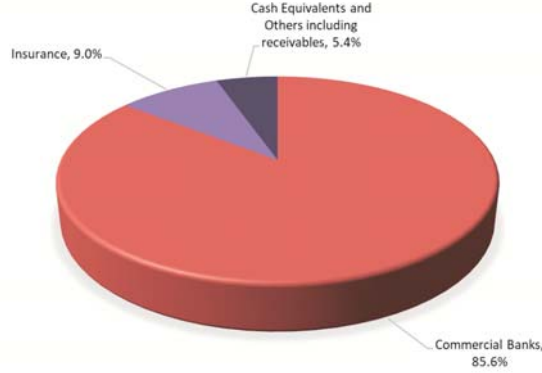
9MFY24 کے دوران اسٹاک مارکیٹ کی کارکردگی غیر معمولی رہی، کیونکہ شیئنگ مارک KSE-100 انڈیکس نئی بلند یوں تک پہنچ گئی اور مدت کے اختتام پر 67,000 پوائنٹس سے زائد ہو گیا۔ زیر جائزہ مدت کے دوران، KSE-100 انڈیکس تقریباً 25,500 پوائنٹس تک بڑھ گیا، جس کے نتیجے میں 62% کا شاندار منافع ہوا۔

ایکویٹیز کا آغاز مضبوط بنیادوں پر ہوا اور پوری مدت میں کارکردگی مستحکم رہی۔ 29 جون 2023 کو IMF کے ساتھ اسٹاف لیول ایگریمنٹ (SLA) پر دستخط اسٹاک مارکیٹ کے لیے بہت اہم تھا۔ IMF کے ایکویٹیز بورڈ نے مارچ 2024 تک نو ماہ کے لیے 3 بلین امریکی ڈالر کے اسٹیٹڈ بائی ایگریمنٹ (SBA) کی منظوری دے دی۔ اس سے دوست ممالک سے دیگر کثیرالچختی قرضوں اور آمد کی راہ ہموار ہوئی۔ IMF سے ملنے والے متعدد قرضوں کی منتقلیوں اور KSA اور UAE سے ڈیپازٹس نے بیرونی ذخائر میں اضافہ، ممکنہ توازن ادائیگی (BoP) کے بحران کو کم اور سرمایہ کاروں کا اعتماد بحال کرنے میں مدد کی۔ فنڈ نے پاکستان کی طویل مدتی غیر ملکی کرنسی اجراء ریٹنگ کو بھی اپ گریڈ کر دیا۔ SLA کے ساتھ مل کر، بین الاقوامی مارکیٹ میں پاکستان کے ڈالر بانڈز میں تیزی آئی۔ اس عرصے کے دوران مختلف مدتوں میں بانڈ کی قیمتوں میں 100-150% کی حد تک اضافہ ہوا، جو بیرونی پوزیشن کو بہتر بنانے کے لیے سرمایہ کاروں کی حوصلہ افزائی کی عکاسی کرتی ہے۔ خاص طور پر ADB اور ورلڈ بینک سے، کثیرالچختی آمد، کی بھی رفتار تیز ہوئی۔ اس کے نتیجے میں، اسٹیٹ بینک آف پاکستان کے ذخائر مارچ کے آخر میں 4.4 بلین امریکی ڈالر سے بڑھ کر 8 بلین امریکی ڈالر ہو گئے۔ اوپن مارکیٹ میں غیر قانونی تجارت کے خلاف کریک ڈاؤن کے ساتھ ذخائر میں بہتری سے کرنسی مارکیٹ میں انتہائی ضروری استحکام آیا۔ حکام کی جانب سے اختیار کی گئی دانشمندانہ پالیسیوں کی وجہ سے، معیشت نے بھی استحکام کے آثار دکھائے۔ پاکستان پیور آف سٹیٹسٹکس (PBS) کے مطابق مالی سال 2024 کی پہلی سہ ماہی کے لیے GDP کی شرح نمو 2.5 فیصد رہی، جب کہ دوسری سہ ماہی میں، بنیادی طور پر مضبوط زریعہ نمو کی وجہ سے سہ ماہانہ بنیادوں پر 1% تک بڑھ گئی۔ جولائی تا فروری کی مدت کے دوران کرنٹ اکاؤنٹ خسارہ گزشتہ سال 3.8 بلین امریکی ڈالر سے نمایاں طور پر کم ہو کر موجودہ مدت میں 1 بلین امریکی ڈالر سے بھی کم ہو گیا ہے۔ اگرچہ CPI باسٹ کے توانائی کے اجزاء میں بڑے پیمانے پر اضافہ اور خوراک کی بہت زیادہ افراط زر کی وجہ سے اس مدت کے دوران اوسط مہنگائی بلند رہی، حالیہ ریڈنگز یہ ظاہر کرتے ہیں کہ اس میں کچھ حد تک کمی آئی ہے۔ اس مدت کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے پالیسی ریٹ کو 22% پر برقرار رکھا تاہم، مختلف ادوار میں ثانوی مارکیٹ کی شرح نمو اپنے عروج سے تیزی سے گرتی، جو سرمایہ کاروں کی متوقع شرح میں کمی کی توقعات کی عکاسی کرتی ہے۔ لسٹڈ کارپوریشنوں میں منتخب کمپنیوں کے اتنے ہی متاثر کن ڈیویڈنڈ کے اعلانات کے ساتھ شاندار نتائج کا اعلان کیا۔ یہ بات قابل ذکر ہے کہ KSE-100 مندرج کمپنیوں کے مجموعی منافع میں ستمبر اور دسمبر کے نتائج کے دوران سالانہ 50% سے زیادہ کا اضافہ ہوا۔ آمدنی میں ترتیب وار بہتری بھی وسیع البنا تھی۔ ایک اہم پیش رفت میں، سب سے بڑے آئی پی بیٹرز میں سے ایک نے کلیدی کیپٹل کیپٹل کے طور پر کام کرتے ہوئے اپنے حصص کو بورس سے ڈی لسٹ کرنے کے اپنے ارادہ کا اعلان کیا۔ ڈی لسٹنگ کی قیمت موجودہ قیمت سے 7 گنا زیادہ تھی، جو اسٹاک مارکیٹ کی صلاحیت کو ظاہر کرتی ہے۔

سیکٹرز اور کارکردگی کے لحاظ سے آٹو اسمبلرز، آٹو پارٹس اور ایسیریز، کیبل اور الیکٹریکل سامان، کمرشل بینکنگ، لیڈر اینڈ میٹرز، آئل اینڈ گیس ایکسپلوریشن، پاور جنریشن اینڈ ڈسٹری بیوٹن، ریفرنسری، اور ٹرانسپورٹ سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس سینٹ، فریٹلائزرز، خوراک اور ذاتی نگہداشت، گلاس اینڈ سرامیکس، انشورنس، متفرقات، آئل اینڈ گیس مارکیٹنگ کمپنیاں۔ پیپر اینڈ بورڈ، فارماسیوٹیکل، شوگر اینڈ الائیڈ، جینا لوجی اینڈ کمیونیکیشن، اور ٹیکسٹائل کمپوزٹ سیکٹرز مارکیٹ میں پیچھے رہ گئے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، انشورنس، غیر ملکی اور کمپنیاں بالترتیب 121 بلین امریکی ڈالر، 75 بلین امریکی ڈالر اور 31 بلین امریکی ڈالر کی آمد کے ساتھ بڑے خالص خریدار رہے۔

NBP فنانسینشل سیکٹرز فنڈ کا سائز اس مدت کے دوران 93 ملین روپے سے بڑھ کر 188 ملین روپے ہو گیا، یعنی 102.2% کا اضافہ ہوا۔ اس مدت کے دوران، NBP فنانسینشل سیکٹرز فنڈ (NFSF) کے یونٹ کی قیمت 30 جون 2023 کو 7.7901 روپے سے بڑھ کر 31 مارچ 2024 کو 15.3481 روپے ہو چکی ہے، لہذا 97.0% کا اضافہ ظاہر کیا۔ اسی مدت کے دوران شیئنگ مارک میں 66.0% کا اضافہ ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے شیئنگ مارک سے 31.0% بہتر کارکردگی دکھائی۔ اپنے قیام 14 فروری 2018 سے اب تک فنڈ کے یونٹ کی قیمت (Ex-Div) 9.6486 روپے سے بڑھ کر 31 مارچ 2024 کو 15.3481 روپے ہو گئی، لہذا 59.1% کا اضافہ ہوا۔ اسی مدت کے لئے شیئنگ مارک میں 67.8% کا اضافہ ہوا۔ لہذا، زیر جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے شیئنگ مارک سے 18.7% برتر رہی۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP فائنیشل سیکٹرز فنڈ کو موجودہ مدت کے دوران 86.19 ملین روپے کی مجموعی آمدنی ہوئی۔ 4.91 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 81.28 ملین روپے ہے۔
31 مارچ 2024 کے مطابق فنڈ کی ایسٹ ایلوکیشن حسب ذیل ہے:



NFSF کی کارکردگی بمقابلہ بیچ مارک



اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ میٹجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 25 اپریل 2024ء

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2024

	Un-Audited March 31, 2024	Audited June 30, 2023
Note	----- Rupees in '000 -----	
ASSETS		
Balances with banks	6,088	5,199
Investments	177,497	92,642
Profit and Dividend receivable	9,501	395
Advances, deposits and other receivables	2,958	2,948
Receivable against sale of units	49	2,655
Receivable against sale of investment	51,594	-
Total Assets	247,687	103,839
LIABILITIES		
Payable to the Management Company	1,017	1,216
Payable to Central Depository Company of Pakistan Limited - Trustee	50	33
Payable to Securities and Exchange Commission of Pakistan	21	63
Payable against redemption of units	57,620	8,948
Accrued expenses and other liabilities	1,297	667
Total Liabilities	60,005	10,927
NET ASSETS	187,682	92,912
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)	187,682	92,912
Number of units in issue	12,228,376	11,927,038
CONTINGENCIES AND COMMITMENTS	5	
NET ASSET VALUE PER UNIT	15.3481	7.7901

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	Nine Months Ended		Quarter Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Note	------(Rupees in '000)-----			
INCOME				
Net gain / (loss) on sale of investments	39,673	(5,069)	21,675	(9,017)
Dividend Income	24,252	37,929	15,052	18,925
Profit on bank deposits	1,618	1,440	896	730
Net unrealised appreciation / (diminution) on re-measurement as 'financial assets at fair value through profit or loss'	20,651	(39,848)	(9,636)	(7,865)
Total income / (loss)	86,194	(5,548)	27,987	2,773
EXPENSES				
Remuneration of Management Company	1,743	3,898	880	1,235
Sindh sales tax on remuneration of the Management Company	227	506	115	160
Reimbursement of Accounting and operational expenses	-	181	-	(1)
Reimbursement of Selling and marketing expense	-	5,324	-	1,685
Remuneration of Trustee	233	519	118	164
Sindh Sales Tax on remuneration of the Trustee	30	68	15	22
Annual fee - Securities and Exchange Commission of Pakistan	110	52	55	16
Amortisation of preliminary expenses and floatation costs	-	414	-	76
Securities transaction cost	1,004	344	635	159
Printing charges	36	61	5	26
Annual listing fee	21	21	7	7
Auditors' remuneration	871	467	146	152
Settlement and bank charges	470	297	149	120
Legal & Professional charges	170	105	36	19
Total Expenses	4,915	12,257	2,161	3,840
Net income / (loss) for the period before taxation	81,279	(17,805)	25,826	(1,067)
Taxation	-	-	-	-
Net income / (loss) for the period after taxation	81,279	(17,805)	25,826	(1,067)
Allocation of net income for the period:				
Net income for the period after taxation	81,279	-	-	-
Income already paid on units redeemed	(33,563)	-	-	-
	<u>47,716</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounting income available for distribution:				
-Relating to capital gains	47,716	-	-	-
-Excluding capital gains	-	-	-	-
	<u>47,716</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	Nine Months Ended		Quarter Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
------(Rupees in '000)-----				
Net income / (loss) for the period after taxation	81,279	(17,805)	25,826	(1,067)
Other Comprehensive Income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>81,279</u>	<u>(17,805)</u>	<u>25,826</u>	<u>(1,067)</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	For the nine months period ended March 31, 2024			For the nine months period ended March 31, 2023		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
Net assets at beginning of the period	378,749	(285,838)	92,912	636,012	(263,516)	372,496
Issue of 29,523,361 units (2023: 36,619,045 units)						
- Capital value (at net asset value per unit at the beginning of the period)	229,990	-	229,990	301,060	-	301,060
- Element of income / (loss)	171,162	-	171,162	(15,002)	-	(15,002)
Total proceeds on issuance of units	401,152	-	401,152	286,058	-	286,058
Redemption of 29,222,023 units (2023: 45,629,619 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(227,642)	-	(227,642)	(375,139)	-	(375,139)
- Element of (loss) / income	(126,456)	(33,563)	(160,019)	16,868	-	16,868
Total payments on redemption of units	(354,098)	(33,563)	(387,661)	(358,271)	-	(358,271)
Total comprehensive income / (loss) for the period	-	81,279	81,279	-	(17,805)	(17,805)
Net assets at end of the period	425,803	(238,122)	187,682	563,799	(281,321)	282,478
Undistributed (loss) brought forward						
- Realised (loss)		(269,887)			(209,764)	
- Unrealised (loss)		(15,951)			(53,752)	
		(285,838)			(263,516)	
Accounting income available for distribution						
- Relating to capital gains	47,716			-		
- Excluding capital gains	-			-		
	47,716			-		
Net (loss) for the period after taxation		-		(17,805)		
Undistributed (loss) carried forward		(238,122)			(281,321)	
Undistributed (loss) carried forward						
- Realised (loss)		(258,773)			(241,473)	
- Unrealised gain / (loss)		20,651			(39,848)	
		(238,122)			(281,321)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		7.7901			8.2214	
Net assets value per unit at end of the period		15.3481			7.7823	

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine Months Ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	81,279	(17,805)
Adjustments		
Amortization of preliminary expenses and floatation costs	-	414
Net unrealised (appreciation) on re-measurement as 'financial assets at fair value through profit or loss'	(20,651)	39,848
	<u>60,628</u>	<u>22,457</u>
Decrease / (Increase) in assets		
Investments	(64,204)	41,706
Profit and Dividend receivable	(9,106)	(8,488)
Receivable against sale of investments	(51,594)	-
Advances, deposits and other receivables	(10)	(6)
	<u>(124,914)</u>	<u>33,212</u>
(Decrease) in liabilities		
Payable to the Management Company	(199)	(796)
Payable to the Trustee	17	(8)
Payable to the Securities and Exchange Commission of Pakistan	(42)	(37)
Accrued expenses and other liabilities	630	(397)
	<u>406</u>	<u>(1,238)</u>
Net cash generated from operating activities	<u>(63,880)</u>	<u>54,431</u>
Net receipts from issue of units	403,758	252,856
Net payments on redemption of units	(338,989)	(308,271)
Net cash (used in) from financing activities	<u>64,769</u>	<u>(55,415)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>889</u>	<u>(984)</u>
Cash and cash equivalents at the beginning of the period	5,199	13,757
Cash and cash equivalents at the end of the period	<u><u>6,088</u></u>	<u><u>12,773</u></u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh 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.

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

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM 1 to the Management Company. The Fund has not yet been rated..

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2024.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

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, 2021. 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, 2023.

	(Un-Audited) March 31, 2024	(Audited) June 30, 2023		
4 INVESTMENTS	Note	----- (Rupees in '000) -----		
Financial assets at fair value through profit or loss				
- Listed equity securities	4.1	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">177,497</td> <td style="text-align: center;">92,642</td> </tr> </table>	177,497	92,642
177,497	92,642			

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

Name of the investee company	As at July 1, 2023	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2024	Market Value as at March 31, 2024	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	-	140,500	-	60,500	80,000	6,879	3.67	3.88	0.01
Askari Bank Limited	370,325	1,062,000	-	640,000	792,325	16,362	8.72	9.22	0.05
Bank Al-Falah Limited	441,670	841,753	-	858,800	424,623	22,238	11.85	12.53	0.03
Bank Al-Habib Limited	267,241	328,910	-	381,151	215,000	18,277	9.74	10.30	0.02
Bank Of Punjab Limited	1	1,185,218	-	861,500	323,719	1,729	0.92	0.97	0.01
Faysal Bank Limited	229,575	456,300	-	386,500	299,375	10,194	5.43	5.74	0.02
Habib Bank Limited	110,784	360,300	-	353,900	117,184	12,236	6.52	6.89	0.01
Habib Metropolitan Bank Limited	191,500	211,500	-	275,500	127,500	7,298	3.89	4.11	0.01
MCB Bank Limited	82,000	229,450	-	184,150	127,300	25,875	13.79	14.58	0.01
National Bank Of Pakistan	-	435,000	-	130,000	305,000	11,669	6.22	6.57	0.01
United Bank Limited	80,459	79,500	-	137,100	22,859	4,167	2.22	2.35	0.00
Meezan Bank Limited	154,852	197,882	-	241,762	110,972	23,706	12.63	13.36	0.01
Bankislami Pakistan Limited	-	146,015	-	146,015	-	-	-	-	-
INSURANCE									
Adamjee Insurance Company Limited	204,500	58,000	-	164,000	98,500	3,392	1.81	1.91	0.03
IGI Holdings Limited	88,900	127,300	-	102,500	113,700	13,476	7.18	7.59	0.08
					3,158,057	177,497	95	100	
Carrying value as at March 31, 2024						156,846			

4.2 Investments include shares with market value of Rs 35.151 (June 30, 2023: Rs 33.592) million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the SECP.

5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024 and June 30, 2023.

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. However, the Management Company has not charged selling and marketing expenses.

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, 2024 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 4.23% (March 31, 2023: 4.72%) which includes 0.32% (March 31, 2023: 0.24%) representing Government Levy, Sindh Worker's Welfare Fund 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 (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.

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

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

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

	----- Unaudited ----- Nine months ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	

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

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	1,743	3,898
Sindh sales tax on remuneration of the Management Company	227	506
Reimbursement of Accounting and operational expenses	-	181
Reimbursement of Selling and marketing expense	-	5,324
Sale load and transfer load during the period	575	30
Sindh sales tax on sales load and transfer load	75	4
ADC share including SST	7	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration	233	519
Sindh Sales Tax on remuneration of Trustee	30	68

Employees of the Management Company

Units issued / transferred In 5,728,040 (2023: 4,131,100)	72,600	33,158
Units redeemed / transferred out 5,297,033 (2023: 4,058,996)	66,958	32,838

	----- Unaudited ----- Nine months ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
Portfolios Managed by Management Company		
Units issued / transferred in 616,188 (2023: Nil)	8,145	-
Units redeemed / transferred out 616,188 (2023: Nil)	8,821	-
Taurus Securities Limited (Subsidiary of Parent)		
Brokerage	50	30
* Bank Islami Pakistan Limited		
Profit on bank deposits	-	683
National Bank of Pakistan (Parent Company)		
Shares purchased: 435,000 (2023: Nil)	15,410	-
Shares sold: 130,000 (2023: 81,500)	4,416	1,969
* United Bank Limited (More than 10% unit holding in the Fund)		
Shares purchased: Nil (2023: 105,200)	-	10,699
Shares sold: Nil (2023: 124,629)	-	13,183
Dividend Income	-	6,447
Profit on bank deposits	-	2
Units redeemed / transferred out Nil (2023: 6,424.836)	-	50,000
Haider Amjad		
Units issued / transferred In Nil (2023: 14,408)	-	115
Units redeemed / transferred out Nil (2023:14,408)	-	116
** IGI Life Insurance Limited- unit holder with more than 10% holding		
Units issued / transferred In 4,270,597 (2023: Nil)	60,000	-
Units redeemed / transferred out 4,136,785 (2023:Nil)	63,200	-
** Syed Anis Ahmed Shah- unit holder with more than 10% holding		
Units issued / transferred In 1,582,527 (2023: Nil)	22,652	-
	Un-audited	Audited
	March 31,	June 30,
	2024	2023
	----- (Rupees in '000) -----	
9.6 Amounts outstanding as at period end		
NBP Fund Management Limited - Management Company		
Remuneration payable to the Management Company	331	218
Sindh Sales Tax on remuneration of Management Company	43	28
Reimbursement of Selling and marketing expenses	-	838
Sales load and transfer load payable	567	117
Sindh Sales Tax payable on sales load and transfer load	74	15
ADC shares including SST	2	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	44	29
Sindh Sales Tax on remuneration	6	4
Security deposit	100	100

	Un-audited March 31, 2024	Audited June 30, 2023
	----- (Rupees in '000) -----	
Employees of the Management Company Units held: 476,762 (2023: 44,852 units)	7,317	349
National Bank of Pakistan - Parent Company Shares held - 305,000 (June 30, 2023: Nil) Bank balances Dividend receivable	11,669 99 83	- 103 83
Taurus Securities Limited - subsidiary of Parent Company Brokerage payable	25	3
IGI Life Insurance Limited- unit holder with more than 10% holding Units held: 1,266,785 (2023: 1,621,292 units)	19,443	12,630
Mahmud Yar Hiraj - Units holder with more than 10% holding Units held: 1,258,663 (2023: 1,258,663)	19,318	9,805
* Sajjad Hussain - Unit holder with more than 10% holding Units held: Nil (2023: 1,648,687 units)	-	12,843
* Forman Christial College - unit holder with more than 10% holding Units held: Nil (2023: 1,634,094 units)	-	12,730
** Syed Anis Ahmed Shah- unit holder with more than 10% holding Units held: 1,582,527 (2023: Nil units)	24,289	-

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

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

10 FAIR VALUE MEASUREMENT

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

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

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

10.1 Fair value hierarchy

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

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

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

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

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on **April 25, 2024**.

12 GENERAL

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

12.2 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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