



NBP Fund Management Limited



NBP BALANCED FUND

QUARTERLY REPORT
SEPTEMBER 30, 2022

MISSION STATEMENT

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

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Ruhail Muhammad	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

Allied Bank Limited	MCB Bank Limited
Askari Bank Limited	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan
Bank Al Habib Limited	Zarai Taraqiat Bank Limited
Bank Islami Pakistan Limited	Dubai Islamic Bank Limited
Faysal Bank Limited	Soneri Bank Limited
Habib Bank Limited	Summit Bank Limited
Habib Metropolitan Bank Limited	United Bank Limited
JS Bank Limited	

Auditors

Grant Thornton Anjum Rahman.
1st & 3rd Floor,
Modern Motors House, Beaumont Road,
Karachi, 75530

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

Khan Center, 1st Floor,
Abdali Road, Multan.
Phone No. : 061-4540301-6, 061-4588661-2&4

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited condensed Interim financial statements of **NBP Balanced Fund** (NBF) for the quarter ended September 30, 2022.

Fund's Performance

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

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

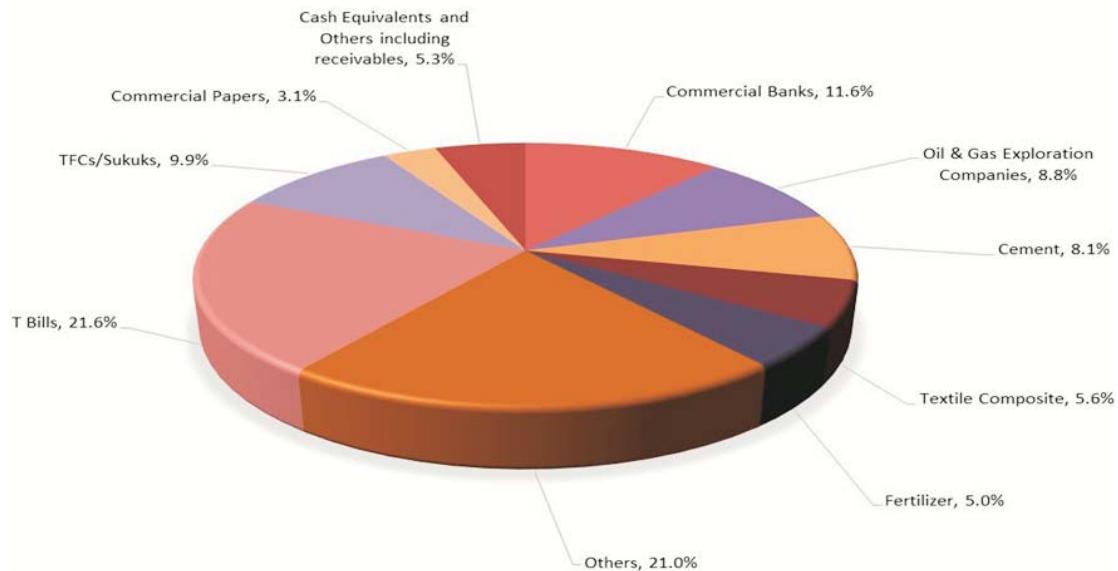
In terms of sector wise performance, Cements, Engineering, Food & Personal Care, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Technology & Communication, Textile Composite and Transport sectors outperformed the market. On the other hand, Auto Assemblers, Fertilizers,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

During the quarter, SBP held two Monetary Policy Committee meetings and increased the policy rate by 125 basis points to 15%. The sovereign yields responded as PIB yields increased by 38 bps and 19 bps for 3 years and 5 years, respectively. SBP held three PIB auctions, realizing a total of Rs. 687 billion against the maturity of Rs. 1,132 billion and target of Rs. 500 billion. Besides, the corporate bond activity remained lackluster, with a drop in the trades by 6% in the overall value as compared to last year in September 2021. Though there was a fresh issuance of corporate debt securities, the secondary market trading activity was recorded at Rs. 1.98 billion trade value versus Rs. 2.11 billion. Inflation as measured by the CPI, escalated sharply and averaged 25.1% during the period as compared to 8.6% in 1QFY22. Amid spike in the perishable item prices, the utilities also increased significantly. Owing to the global and domestic uncertainties, and due to pressure on the exchange rate, the inflation outlook remains elevated for FY23. The exacerbating political noise as well as the global unrest due to the Russia-Ukraine conflict intensifying; significant uncertainties prevail around the outlook for international commodity prices and domestic fiscal consolidation. Also, following the increase in FED rates, the central banks across the world are pushed to confront with challenging outlook.

The size of NBP Balanced Fund has decreased from Rs. 819 million to Rs. 807 million during the period, i.e., a decrease of 1%. During the period, the unit price of NBP Balanced Fund (NBF) has increased from Rs. 18.1367 on June 30, 2022 to Rs. 18.1805 on September 30, 2022, thus showing an Increase of 0.2%. The Benchmark increase during the same period was 0.7%. Thus, the Fund has underperformed its Benchmark by 0.5% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.4582 (Ex-Div) on January 19, 2007 to Rs. 18.1805 on September 30, 2022, thus showing an increase of 425.7%. During the said period, the Benchmark increased by 229.5%, translating into outperformance of 196.2%. This performance is net of management fee and all other expenses.

NBP Balanced Fund earned total income of Rs. 12.03 million during the period. After deducting total expenses of Rs. 9.98 million, the net income is Rs. 2.05 million.

The asset allocation of the Fund as on September 30, 2022 is as follows:



NBF Performance versus Benchmark



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: October 29, 2022

Place: Karachi.

ڈائریکٹر رپورٹ

NBP نیشنل فونڈ میجنٹ لیئڈر کے بورڈ آف ڈائریکٹر بصفہ مدت 30 ستمبر 2022ء تھم ہونے والی سماں کے لئے NBP نیشنل فونڈ (NBF) کے نیجے بانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فڈر کی کارکردگی

مالی سال 2023 کی پہلی سماں کے دوران ایکٹیٹ کی کارکردگی سست رہی، یونکٹ نیشنل فونڈ کے 412 پاؤنٹس کی کمی واقع ہوئی، جس کے نتیجے میں اسی مدت میں 1% کی معمولی کی واقع ہوئی۔ پوری سماں کے دوران، مارکیٹ اتارچ ہا کا شکار ہی اور خروں کی گردش کے تحت ایک حد کے اندر ہی گھومتی رہی۔

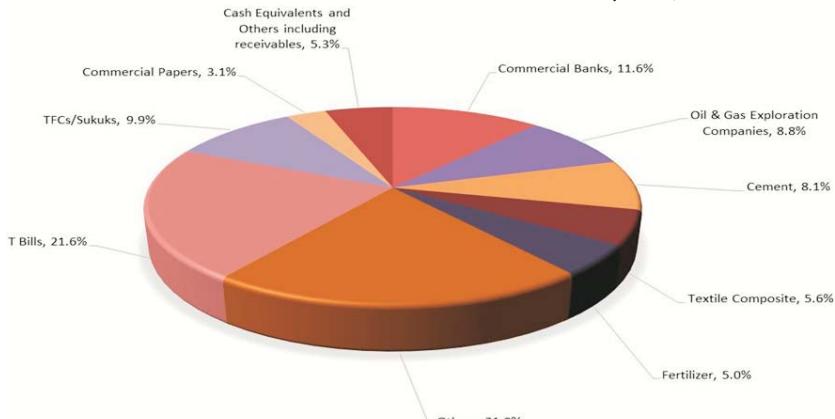
اس عرصے کے دوران مٹکام کا روپریٹ ایمنی کے اعلان کے باوجود مارکیٹ کی نیمیت کا کارکردگی سست رہی، جس سے ظاہر ہوتا ہے کہ مالی سال 2022 میں 10% سپر گیکس کے نہاد کے باوجود کارپوریٹ منافع تقریباً 12% رہا۔ تاہم، اس کا نتیجہ اسکا مارکیٹ کی کارکردگی کے مطابق حاصل کرنا میکردا اکنام اور مستقل کے نقطہ نظر پر شکوہ و شہادت کا اظہار کیا۔ سرمایہ کارروں نے بلند کرنٹ اکاؤنٹ خارے، جو کہ تقریباً 2.2 ملین امریکی ڈالر تھا، پھر تو چھر کو رکھی، رکیڑ بلند افراط اور جو اس مدت کے دوران تقریباً 2.5 فیصد تھی، اور اسیٹ بیک کے ذخیرے میں 1.9 بلین امریکی ڈالر سے کی کے باعث تیزی کے اختتام پر 7.9 بلین امریکی ڈالر کے قریب پہنچ گیا۔ امریکی ڈالر کے مقابلے میں پاکستانی روپیہ ملسل گرتار ہا، اور اس میں مزید 23.7 پاکستانی روپیہ فی امریکی ڈالر (کمی) کی گراوٹ ہوئی، جس نے چدھات کو بھی مجرور کیا۔ سماں کے وسط میں مارکیٹ میں نیزی سے بہتری پکھی گئی، یونکٹ IMF پر گرام کامیابی کے ساتھ دوبارہ شروع ہوا جس کے تحت 1.2 ملین امریکی ڈالر کے قرض کی قسط موصول ہوئی۔ تاہم، یونکٹ نیشنل فونڈ مدت ثابت ہوئے جیسا کہ غیر معمولی بارشوں کے نتیجے میں ملک میں بڑے پیمانے پر سیالب آیا جس کے نتیجے میں تقریباً 30 بلین امریکی ڈالر کے اقتصادی نقصان کے ساتھ بڑے پیمانے پر تباہی ہوئی۔ اس نے معاشر نقطہ نظر کو مزید خراب کر دیا، یونکٹ بی ڈی پی کے 3% تا 4% تغییر کو کر کے 2% تک کر دیا گیا اور افراط از ری کی توقات کو بھی بڑھانے پر نظر غافلی کی گئی۔ سیالب سے تجارت کا توازن بھی بگزشتا ہے یونکٹ اس سے کپاس کی فصل کے نقصان، گندم کی مکانہ کی اور چاول کی برآمدات میں پکھی گئی کی وجہ سے زیادہ درآمدات کی ضرورت ہوگی۔ یہ وہی لحاظ سے، شرکاء یہ رونی قرضوں کی وابستی کی وجہ سے مالی اکاؤنٹ پر معابدہ کی ادائیگیوں میں اضافے کے بارے میں فکر مند تھے۔ سماں کے دوران میں الاؤ ای بانڈ کا منافع بعض آلات میں ریکارڈ بلند سطح تک پہنچ گیا۔

سیکٹر وار کارکردگی کے لحاظ سے سینٹ، انھیں نگہ بخواہی پر مل کر ایڈنٹ گیس مارکیٹنگ کمپنیاں، پیپر ایڈنٹ بورڈ، پاور جیز بیشن اور ڈسٹریٹری بیوشن، یکٹا لو جی اور کمپنیکشن، ٹیکٹا ملک کمپوزٹ اور ٹرنسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسرا جانب آٹو اسٹریٹریز، انشورس، ایکٹیٹ گیس ایمپلپوریشن، فارماسیوٹک اور یانٹریسٹری کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، انفرادی اور غیر ملکی بالترتیب 23 ملین امریکی ڈالر اور 17 ملین امریکی ڈالر کے ساتھ بڑے خالص خریدار ہے۔ اس کے برعکس، انشورس اور میوچل فنڈز نے اپنی خالص ہوئے نگر بات تقریباً 41 ملین امریکی ڈالر اور 35 ملین امریکی ڈالر کم کر دی۔

سماں کے دوران، SBP نے دو نیئری پالیسی کمیٹی کے اجلاس منعقد کیے اور پالیسی کی شرح کو 125 یس پاؤنٹس پر بھاکر 15% کر دیا۔ حکومتی شرح منافع فائدہ مند رہا یونکٹ PIB کے منافع میں بالترتیب 3 سال اور 5 سال کے لیے 38bps اور 19bps کا اضافہ ہوا۔ SBP نے PIB کی تین ییال میوں کا الفتاوی کیا، جس سے 1,132 ملین روپے پیچوری اور 500 ملین روپے ہدف کے مقابلے میں گل 687 ملین روپے کی وصولی ہوئی۔ اس کے علاوہ، کارپوریٹ بانڈ کی سرگرمی سست رہی، جس کی تجارت کی مجموعی قدر میں تیر 2021 کے مقابلے میں 6% کی کی واقع ہوئی۔ اگرچہ کارپوریٹ ڈیٹ سیکورٹیز کا نیا اجراء ہوا تاہم ٹاناؤنی مارکیٹ میں تجارتی سرگرمی 2.11 ملین روپے کے برعکس 1.98 ملین روپے کے درج کی گئی۔ اسی عرصے کے دوران CPI کی پیاٹ کردا افراط از تیزی سے بڑھی اور اوسٹا 25.1% رہی جو کہ مالی سال 2022 کی پہلی سماں میں 8.6% تھی۔ خراب ہونے والی اشیاء کی قیمتوں اور یونیلیٹری میں بھی نمایاں اضافہ ہوا۔ عالمی اور لکھنی گیری تھیں صورت حال اور شرخ مبادلہ پر باؤ کی وجہ سے، مالی سال 23 کے لیے افراط از رکنا نقطہ نظر بانڈ ہے۔ روس اور یوکرین کے تباہ کی شدت سے بڑھتا ہوا سیاسی شور اور عالمی بدانتی؛ میں الاؤ ای بیوشن اور ملکی مالی اسٹکام کے نقطہ نظر کو بھی اسی عرصے کے بعد، دنیا بھر کے مرکزی بینکوں کو میجنٹ نقطہ نظر کا سامنا کرنے پر محور کر دیا گیا ہے۔

NBP نیشنل فونڈ (NBF) کا سائز اس مدت کے دوران 819 ملین روپے سے کم ہو کر 807 ملین روپے ہو گیا، یعنی 1% کی کمی ہوئی۔ اس مدت کے دوران NBP نیشنل فونڈ (NBF) کے پیٹ کی قیمت 30 جون 2022 کو 18.1367 روپے سے بڑھ کر 30 ستمبر 2022 کو 18.1805 روپے پہنچ چکی ہے۔ لہذا 0.2% کا اضافہ دیکھنے میں آیا۔ اسی مدت کے دوران نیٹ فونڈ 0.7% ہو گیا۔ الہانڈنٹ نے زیر جائزہ مدت کے دوران اپنے نیٹ فونڈ کے 0.5% اہتر کارکردگی دکھائی۔ اپنے قیام سے اب تک نیٹ کی NAV 19 جون 2007 کو 3.4582 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2022 کو 18.1805 روپے ہو گئی، لہذا 425.7% کا اضافہ ہوا۔ اس مدت کے دوران، نیٹ فونڈ میں 229.5% کا نتیجہ نیٹ کی صورت میں سامنے آیا ہے۔ نیٹ کی یہ کارکردگی میجنٹ فیس اور دیگر تمام اخراجات کے بعد ناصل ہے۔

NBP بیلیس فنڈ کو موجودہ سے ماہی کے دوران 12.03 ملین روپے کی کل آمدنی ہوئی۔ 9.98 ملین روپے کے کل اخراجات منہا کرنے کے بعد خالص آمدنی 2.05 ملین روپے ہے۔ 30 ستمبر 2022 کے مطابق فنڈ کی ایسٹ ایلوکیشن حصہ ذیل ہے:



NBF کی کارکردگی مقابله نئچے اسکے قیام سے



اٹھارٹھر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ ہولڈرز کا شکر یہ ادا کرتا ہے۔ یہ سکورٹیز ایٹڈ اچچن کمیشن آف پاکستان اور اسٹائٹ پینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے ملخص روپیہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ڈریٹی کی طرف سے سخت محنت بلگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹر
NBP فنڈ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکیو ٹیفیسر

تاریخ: 29 اکتوبر 2022

مقام: کراچی

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

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
Note	-----Rupees in '000-----	
ASSETS		
Balances with banks	4	55,845
Investments		764,458
Dividend and profit receivable		2,298
Receivable against sale of investment		244
Advances, deposits, prepayments and other receivables		3,833
Total assets		826,678
		844,107
LIABILITIES		
Payable to the Management Company		5,115
Payable to the Trustee		155
Payable to Securities and Exchange Commission of Pakistan		41
Payable against purchase of investment		-
Payable against transfer and redemption of units		-
Accrued expenses and other liabilities		14,197
Total liabilities		19,508
NET ASSETS		807,170
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		807,170
CONTINGENCIES AND COMMITMENTS	8	-
-----Number of units-----		
Number of units in issue		44,397,583
		45,147,265
-----Rupees-----		
NET ASSET VALUE PER UNIT		18.1805
		18.1367

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
Note	Rupees in '000	
INCOME		
Gain / (loss) on sale of investments - net	25	(1,097)
Income from term finance certificates and sukuk bonds	3,674	3,716
Discount income on government securities	5,055	3,801
Discount income on commercial paper	828	-
Dividend income	8,463	15,772
Profit on bank deposits and term deposits	2,466	3,254
Unrealised diminution in the value of investments 'at fair value through profit or loss' - net	(8,479)	(57,180)
Total Income / (loss)	12,032	(31,734)
EXPENSES		
Remuneration of the Management Company	5,170	6,093
Sales tax on Remuneration of the Management Company	672	792
Reimbursement of accounting and operational charges to the Management Company	414	757
Reimbursement of selling and marketing expenses charged by the Management Company	2,688	7,194
Remuneration of the Trustee	414	658
Sales tax on Remuneration of the Trustee	54	86
Annual fee - Securities and Exchange Commission of Pakistan	41	81
Securities transaction cost	78	178
Settlement and bank charges	93	175
Annual listing fee	7	7
Auditors' remuneration	220	115
Legal fee and professional charges	38	45
Printing expenses	11	11
Fund's rating fee	80	67
Total Expenses	9,980	16,259
Net income / (loss) from operating activities	2,052	(47,993)
Reversal of Sindh Workers' Welfare Fund	-	19,666
Net income / (loss) for the period before taxation	2,052	(28,327)
Taxation	7	-
Net income / (loss) for the period after taxation	2,052	(28,327)
Earnings per unit	-	-
Allocation of Net income for the period:		
Net income for the year after taxation	2,052	-
Income already paid on units redeemed	-	-
Accounting income available for distribution:	2,052	-
- Relating to Capital Gains	-	-
- Excluding Capital Gains	2,052	-
	2,052	-

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

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

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	----- Rupees in '000 -----	
Net income / (loss) for the period	2,052	(28,327)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	<u>2,052</u>	<u>(28,327)</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter Ended September 30, 2022			Quarter Ended September 30, 2021		
	Value	Undistributed income	Total	Value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	148,571	670,253	818,824	865,049	742,624	1,607,673
Issue of 26,794 units (2021: 344,340 units)						
- Capital value	486	-	486	6,666	-	6,666
- Element of income	16	-	16	65	-	65
Total proceeds on issuance of units	502	-	502	6,731	-	6,731
Redemption of 776,476 units (2021: 2,285,318 units)						
- Capital value	(14,083)	-	(14,083)	(44,243)	-	(44,243)
- Element of loss	(125)	-	(125)	(940)	-	(940)
Total payments on redemption of units	(14,208)	-	(14,208)	(45,183)	-	(45,183)
Total comprehensive Income / (loss) for the period	-	2,052	2,052	-	(28,327)	(28,327)
Net assets at end of the period	134,865	672,305	807,170	826,597	714,297	1,540,894
Undistributed income brought forward						
- Realised income	776,736			554,672		
- Unrealised (loss) / gain	(106,483)			187,952		
	670,253			742,624		
Accounting income available for distribution:						
- Relating to capital gains	-			-		
- Excluding capital gains	2,052			-		
	2,052			-		
Net loss for the period	-			(28,327)		
Undistributed income carried forward	672,305			714,297		
Undistributed income carried forward						
- Realised income	680,784			771,477		
- Unrealised loss	(8,479)			(57,180)		
	672,305			714,297		
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period	18.1367			19.3595		
Net assets value per unit at end of the period	18.1805			18.9994		

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021		
	----- Rupees in '000 -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (loss) for the period before taxation				
	2,052	(28,327)		
Adjustments				
Unrealised diminution in the value of investments 'at fair value through profit or loss' - net	8,479	57,180		
(Gain) / loss on sale of investments - net	(25)	1,097		
	8,454	58,277		
	<hr/> 10,506	<hr/> 29,950		
Increase in assets				
Investments	(115,923)	(299,302)		
Dividend and profit receivable	2,893	(6,313)		
Advances, deposits, prepayments and other receivables	58	6,226		
	(112,972)	(299,389)		
(Decrease) / Increase in liabilities				
Payable to the Management Company	(127)	333		
Payable to the Trustee	(1)	(6)		
Payable to Securities and Exchange Commission of Pakistan	(197)	(231)		
Payable against purchase of investment	(5,375)	299,043		
Accrued expenses and other liabilities	(70)	(21,585)		
	(5,770)	277,554		
Net cash (used in) / generated from operating activities	<hr/> (108,236)	<hr/> 8,115		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from issue of units	502	6,880		
Payments on redemption of units	(14,213)	(45,215)		
Net cash used in financing activities	(13,711)	(38,335)		
Net decrease in cash and cash equivalents during the period	<hr/> (121,947)	<hr/> (30,220)		
Cash and cash equivalents at the beginning of the period	177,792	403,868		
Cash and cash equivalents at the end of the period	<hr/> 55,845	<hr/> 373,648		

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

The NBP Balanced Fund 'the Fund' was established under a Trust Deed executed between the NBP Fund Management Limited as Management Company and 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 01 December 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The effective date of change of name of the Fund is 5 April 2019.

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 the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund classified as a "balanced 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 its investors with a combination of capital growth and income. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments etc.

The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an asset manager rating of 'AM1' to the Management Company as on 22 June 2022, a short term and long term performance ranking of 4 star to the Fund.

During the year ended 30 June, 2021 The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 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 VIIA 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 September 30, 2022.

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

3 SUMMARY OF 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 INVESTMENTS

Investments by category

Financial assets 'at fair value through profit or loss'

	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
Note ----- Rupees in '000 -----		
Listed equity securities	4.1 485,195	528,179
Term Finance certificate - listed	4.2 -	-
Term Finance certificate - unlisted	4.3 22,150	30,859
Sukuk bonds	4.4 57,540	74,095
Market treasury bills	4.4.2 174,645	-
Commercial Paper	4.6 24,928	24,100
	764,458	657,233

4.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at Sep 30, 2022	Investment as a percentage of		
	As at July 01, 2022	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sep 30, 2022		Net assets	Market value of total investments	Paid up capital of the investee company
Rupees in '000									%
Oil & Gas Exploration Companies									
Mari Petroleum Limited	20,634	-	-	-	20,634	32,288	4.00	4.22	0.02
Oil and Gas Development Company Limited (Note 4.1.2)	259,786	-	-	22,000	237,786	18,005	2.23	2.36	0.01
Pakistan Oilfields Limited (Note 4.1.2)	15,529	550	-	300	15,779	5,509	0.68	0.72	0.01
Pakistan Petroleum Limited (Note 4.1.2)	251,291	-	-	-	251,291	15,442	1.91	2.02	0.01
	547,240	550	-	22,300	525,490	71,243	8.83	9.32	0.04
Oil & Gas Marketing Companies									
Attock Petroleum Limited	14,161	-	3,105	3,025	14,241	3,972	0.49	0.52	0.01
Hascol Petroleum Limited	777	-	-	-	777	5	0.00	0.00	0.00
Pakistan State Oil Company Limited	75,350	-	-	12,072	63,278	10,278	1.27	1.34	0.01
	90,288	-	3,105	15,097	78,296	14,255	1.77	1.86	0.03
Fertilizers									
Engro Fertilizers Limited	1	-	-	-	1	0	0.00	0.00	0.00
Engro Corporation Limited	69,319	9,300	-	-	78,619	18,202	2.26	2.38	0.01
Fauji Fertilizer Bin Qasim Limited	275,000	-	-	75,000	200,000	3,884	0.48	0.51	0.02
Fauji Fertilizer Company Limited	184,701	-	-	8,000	176,701	17,902	2.22	2.34	0.01
	529,021	9,300	-	83,000	455,321	39,988	4.95	5.23	0.05
Chemicals									
Engro Polymer & Chemicals Limited	213,923	12,800	-	73,100	153,623	8,423	1.04	1.10	0.02
Lotte Chemical Pakistan Ltd NC	243,000	-	-	117,600	125,400	3,580	0.44	0.47	0.01
ICI Pakistan Limited	-	-	-	-	-	-	-	-	-
	456,923	12,800	-	190,700	279,023	12,003	1.49	1.57	0.03
Cement									
Attock Cement Pakistan Limited	83,300	1,000	-	-	84,300	6,876	0.85	0.90	0.01
Fauji Cement Company Limited	479,500	23,500	-	28,500	474,500	7,113	0.88	0.93	0.03
Lucky Cement Limited (Note 4.1.2)	44,497	600	-	10,500	34,597	17,179	2.13	2.25	0.01
Kohat Cement Co. Ltd.	191,250	200	-	500	190,950	30,552	3.79	4.00	0.10
Maple Leaf Cement Cement Factory Limited	144,319	2,000	-	10,200	136,119	3,792	0.47	0.50	0.01
	942,866	27,300	-	49,700	920,466	65,513	8.12	8.57	0.16
Automobile Parts & Accessories									
Thal Limited	11	-	-	-	11	3	0.00	0.00	0.00
	11	-	-	-	11	3	0.00	0.00	0.00
Textile Composite									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.70	0.74	13.53
The Crescent Textile Mills Limited	12,000	-	-	-	12,000	204	0.03	0.03	0.01
Gul Ahmed Textile Mills Limited	283,160	-	-	-	283,160	8,526	1.06	1.12	0.07
Interloop Limited	54,091	-	-	30,401	23,690	1,491	0.18	0.20	0.00
Kohinoor Textile Mills Limited	372,613	-	-	-	372,613	20,013	2.48	2.62	0.12
Nishat (Chunian) Limited	15,800	-	-	15,800	-	-	-	-	-
Nishat Mills Limited (Note 4.1.2)	137,300	-	-	-	137,300	9,353	1.16	1.22	0.04
	1,681,964	-	-	46,201	1,635,763	45,236	5.60	5.92	13.77
Transport									
Pakistan National Bulk Terminal Limited	328,500	-	-	-	328,500	1,886	0.23	0.25	0.00
	328,500	-	-	-	328,500	1,886	0.23	0.25	0.00
Engineering									
Aisha Steel Limited	230,500	-	-	-	230,500	2,383	0.30	0.31	0.03
International Industries Limited	200	-	-	-	200	20	0.00	0.00	0.00
Mughal Iron & Steel Industries	393,020	-	-	14,200	378,820	24,691	3.06	3.23	0.15
	623,720	-	-	14,200	609,520	27,095	3.36	3.54	0.18
Power Generation & Distribution									
The Hub Power Company Limited	164,415	4,000	-	-	168,415	11,774	1.46	1.54	0.01
Lalpir Power Limited	231,500	-	-	-	231,500	2,889	0.36	0.38	0.06
Pakgen Power Limited	131,000	-	-	-	131,000	2,214	0.27	0.29	0.04
	526,915	4,000	-	-	530,915	16,877	2.09	2.21	0.11

Name of the investee company	Number of shares					Market value as at Sep 30, 2022	Investment as a percentage of			
	As at July 01, 2022	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sep 30, 2022		Net assets	Market value of total investments	Paid up capital of the investee company	
Rupees in '000										
Commercial Banks										
Allied Bank Limited	37,800	-	-	37,800	-	-	-	-	-	
Bank Al-falah Limited	811,801	-	-	23,500	788,301	24,548	3.04	3.21	0.04	
Bank Al-Habib Limited (Note 4.1.2)	334,400	-	-	-	334,400	18,058	2.24	2.36	0.03	
Bank of Punjab	2,813	-	-	-	2,813	15	0.00	0.00	0.00	
Faysal Bank Limited	255,327	-	-	9,000	246,327	6,486	0.80	0.85	0.02	
Habib Bank Limited	313,880	-	-	-	313,880	21,881	2.71	2.86	0.02	
MCB Bank Limited	22,500	-	-	-	22,500	2,689	0.33	0.35	0.00	
Meezan Bank Limited	198	-	20	-	218	24	0.00	0.00	0.00	
United Bank Limited	176,891	-	-	1,400	175,491	20,162	2.50	2.64	0.01	
	1,955,610	-	20	71,700	1,883,930	93,862	11.63	12.28	0.13	
Cable and Electrical Goods										
Pakistan Elektron Limited	463,380	-	-	-	463,380	7,428	0.92	0.97	0.01	
	463,380	-	-	-	463,380	7,428	0.92	0.97	0.01	
Glass and Ceramics										
Shabbir Tiles & Ceramics Limited	776,000	-	-	-	776,000	10,600	1.31	1.39	0.32	
Tariq Glass Industries Limited	127,490	2,200	-	15,900	113,790	13,070	1.62	1.71	0.10	
	903,490	2,200	-	15,900	889,790	23,670	2.93	3.10	0.43	
Technology & Communication										
Systems Limited	101,149	-	-	2,000	99,149	37,427	4.64	4.90	0.08	
	101,149	-	-	2,000	99,149	37,427	4.64	4.90	0.08	
Paper & Board										
Roshan Packages Limited	68,000	-	-	-	68,000	1,085	0.13	0.14	0.05	
Packages Limited	1,450	-	-	1,438	12	5	0.00	0.00	0.00	
	69,450	-	-	1,438	68,012	1,089	0.13	0.14	0.05	
Automobile Assembler										
Honda Atlas Cars (Pakistan) Limited	3,700	-	-	3,700	-	-	-	-	-	
Panther Tyres Limited	64,200	-	-	-	64,200	1,986	0.25	0.26	0.04	
Millat Tractors Limited	10,669	-	-	5,850	4,819	3,971	0.49	0.52	0.01	
	78,569	-	-	9,550	69,019	5,958	0.74	0.78	0.05	
Pharmaceuticals										
Abbott Lab (Pakistan) Limited.	2,900	-	-	300	2,600	1,516	0.19	0.20	0.00	
AGP Limited	37,500	-	-	-	37,500	3,032	0.38	0.40	0.01	
Citi Pharma Limited	52,098	-	-	2,500	49,598	1,487	0.18	0.19	0.02	
Highnoon Laboratories Limited	11,242	-	-	-	11,242	5,949	0.74	0.78	0.03	
IBL Healthcare Limited	46,460	-	-	2,500	43,960	2,022	0.25	0.26	0.08	
The Searle Company Limited	22,083	-	-	-	22,083	2,245	0.28	0.29	0.01	
	172,283	-	-	5,300	166,983	16,251	2.01	2.13	0.2	
Leather and Tanneries										
Service GlobalFootware Limited	44,690	-	-	44,690	-	-	-	-	-	
Service Industries Limited	16,800	-	-	4,100	12,700	4,199	0.52	0.55	0.03	
	61,490	-	-	48,790	12,700	4,199	0.52	0.55	0.03	
Food & Personal Care Products										
Shezan International Limited	6,930	-	-	-	6,930	1,213	0.15	0.16	0.08	
	6,930	-	-	-	6,930	1,213	0.15	0.16	0.08	
	9,539,799	56,150	3,125	575,876	9,023,198	485,195	60.11	63.47	15.37	
Carrying value as at Sep 30, 2022							491,903			

4.1.1 All shares have a nominal face value of Rs 10 each except for shares of Thal Limited and Shabbir Tiles & Ceramics Limited which have a face value of Rs 5.

4.1.2 Investments include shares with market value of Rs. 63.15 million (June 30, 2022: Rs. 85.66 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no.11 dated October 23, 2007 issued by the SECP.

4.2 Term finance certificates - Listed - at fair value through profit or loss

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2022	Investment as a percentage of		
	As at July 01, 2022	Purchases during the period	Sales during the period	As at Sep 30, 2022		Net assets	Market value of total investments	Issue size
Rupees in '000								
Saudi Pak Leasing Company Limited (note 4.2.1)	10,000	-	-	10,000	-	-	-	-
	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying value as at September 30, 2022				27,547				
Provision for impairment loss as at September 30, 2022				27,547				

4.2.1 This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as Non-performing since April 30, 2014. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

4.3 Term finance certificates - unlisted - at fair value through profit or loss

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2022	Investment as a percentage of		
	As at July 01, 2022	Purchases during the period	Sales during the period	As at Sep 30, 2022		Net assets	Market value of total investments	Issue size
Rupees in '000								
Jehangir Siddiqui and Company Limited	17,100	-	-	17,100	22,150	2.74	2.90	11.40
	<u>17,100</u>	<u>-</u>	<u>-</u>	<u>17,100</u>	<u>22,150</u>	<u>2.74</u>	<u>2.90</u>	<u>11.40</u>
Carrying value as at September 30, 2022				22,309				

4.4 Sukuk bonds - unlisted - at fair value through profit or loss

All sukuks have a face value of Rs. 5,000

Name of investee company	Number of certificates / bonds				Market value as at Sep 30, 2022	Investment as a percentage of		
	As at July 01, 2022	Purchases during the period	Sales during the period	As at Sep 30, 2022		Net assets	Market value of total investments	Issue size
Rupees in '000								
Shakarganj Food Products Limited	30	-	-	30	18,757	2.32	2.45	-
Mughal Iran & Steel Industries Limited	15	-	-	15	13,158	1.63	1.72	-
Hubco Sukuk	500	-	-	500	25,625	3.17	3.35	-
	<u>545</u>	<u>-</u>	<u>-</u>	<u>545</u>	<u>57,540</u>	<u>7.13</u>	<u>7.53</u>	<u>-</u>
Carrying value as at Sep 30, 2022					59,156			

4.4.1 At Fair value through profit or loss

Name of investee company	Number of certificates / bonds				Market value as at Sep 30, 2022	Investment as a percentage of		
	As at July 01, 2022	Purchases during the period	Sales during the period	As at Sep 30, 2022		Net assets	Market value of total investments	Issue size
Rupees in '000								
Term finance certificate - unlisted								
New Allied Electronics Industries (Private) Limited (note 4.5.1)	32,000	-	-	32,000	-	-	-	-
Eden Housing Limited (note 4.5.2)	10,000	-	-	10,000	-	-	-	-
	42,000	-	-	42,000	-	-	-	-
Carrying value as at September 30, 2022					19,844			
Provision for impairment loss as at September 30, 2022					19,844			

4.4.2 Investment in Government securities - Market Treasury bills

Issue Date	Tenor	Face value				Market value as at Sep 30, 2022	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 Sep 30, 2022			
Rupees in '000								
02-JUN-22 25-AUG-22	03 months	-	175,000	(175,000)	350,000	-	-	-
10-MAR-22 08-SEP-22	06 months	-	350,000	(350,000)	700,000	-	-	-
14-JUL-22 06-OCT-22	03 months	-	175,000	-	175,000	174,645	0.22	0.23
28-APR-22 28-JUL-22	03 months	-	80,000	(80,000)	160,000	-	-	-
30-JUN-22 22-SEP-22	06 months	-	350,000	(350,000)	700,000	-	-	-
		-	1,130,000	(955,000)	2,085,000	174,645	0.22	0.23

Carrying value before mark to market as at September 30, 2022 **174,640**

4.5 All term finance certificates have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics Industries (Private) Limited which have a face value of Rs 312.50 each.

4.5.1 This represents investment in privately placed sukus with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since January 9, 2009. The amount of provision as per circular 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular. This has been classified as fair value through profit and loss as per IFRS 9 from this year.

4.5.2 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was classified as NPA by MUFAP. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular. This has been classified as fair value through profit and loss as per IFRS 9 from this year.

4.5.3 The sukus held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer

4.6 Commercial Papers

Name of the investee company	Note.	Face value				Carrying value as at Sep 30, 2022	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Placements made during the period	Sales / matured during the period	As at Sep 30, 2022			
Rupees in '000								
China Power	4.6.1	25,000	-	-	25,000	24,928	0.03	0.03
		25,000	-	-	25,000	24,928	0.03	0.03

4.6.1 This carries profit rate of 13.20% and is due to be matured on 09 October 2022.

5 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 1.30% per annum of the net assets of the Fund.

6 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.83% (September 30, 2021: 4.00%) which includes 0.37% (September 30, 2021: 0.23%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "balanced" scheme.

7 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2022 and June 30, 2022.

9 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA OF ASSIGNED CATEGORY

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the fund as 'Balanced Fund'.

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non - compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non - compliant investments:

Type of investment	Name of non-compliant investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
Term finance	New Allied Electronic	10,000	(10,000)	-	-	-
Sukuk Bonds	Eden Housing Limited	9,844	(9,844)	-	-	-
Term finance	Saudi Pak Leasing	27,547	(27,547)	-	-	-
Sukuk Bonds	Shakarganj Foods	18,757	-	18,757	2.3%	2.3%

9.1 At the time of purchase, the above Term Finance Certificates/Sukuk were in compliance with the circular (i.e. investment grade) and was subsequently downgraded. In case of New Allied Electronics Industries (Private) Limited and Eden Housing Limited the downgrading has been made due to default in payments of due principal and markup.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 10.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.
- 10.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 10.3** Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 10.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at year end are as follows.

10.5	Details of the transactions with connected persons are as follows:	Quarter ended	Quarter ended			
		September 30, 2022	September 30, 2021			
		(Un-audited)				
		----- Rupees in '000 -----				
NBP Fund Management Limited - Management Company						
Management fee expense for the year						
		5,170	6,093			
Reimbursement of accounting and operational charges to the Management Company						
		414	757			
Sales Tax on remuneration of the management company						
		672	792			
Reimbursement of Selling and Marketing Expense						
		2,688	7,194			
Front end load						
		3	65			
ADC charges						
		1	1			
Central Depository Company of Pakistan Limited - Trustee						
Remuneration						
		414	658			
Sales tax on Remuneration of the Trustee						
		54	86			
CDS charges						
		1	8			
Employees of the Management Company						
Units issued / transferred in: 14 units (2021: nil units)						
		-	-			
Units redeemed / transferred out 612 units (2021: 259 units)						
		11	5			
Gul Ahmed Textile Mills Limited.						
Shares sold: Nil shares (2021: nil shares)						
		8,388	8,388			
Fauji Fertilizer Company Limited						
Shares purchased: nil shares (2021: 20,500 shares)						
		-	2,193			
Shares sold: 8,000 shares (2021: nil shares)						
		836	-			
Dividend Income						
		388	957			

	Quarter ended September 30, 2022 (Un-audited)	Quarter ended September 30, 2021
	----- Rupees in '000 -----	
National Clearing Company Limited (NCCPL)		
NCCPL Charges	92	80
International Steel Limited		
Shares sold: nil shares (2021: 4,000 shares)	401	401
Dividemnd Income	207	207
Taurus Securities Limited		
Brokerage expense	5	18
	(Unaudited) September 30, 2022	(Audited) June 30, 2022
10.6 Amounts outstanding as at year end are as follows:	----- Rupees in '000 -----	
NBP Fund Management Limited - Management Company		
Management remuneration payable	1,686	1,692
Sindh Sales Tax payable	219	220
Reimbursement of selling and marketing expense	2,688	2,794
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	414	430
Sales load and transfer load including sindh Sales Tax payable	107	104
ADC share including sindh sales tax	1	2
Employees of the Management Company		
Units held: 7,154 units (30 June 2022: 7,752 units)	130	141
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	137	138
Sindh Sales Tax payable	18	18
Settlement charges payable	118	123
Security deposit	100	100
National Bank of Pakistan (parent of Management company)		
Bank Balance in current account	267	270
NBP Employees Pension Fund - unitholder with more than ten percent holding		
Units held: 28,886,715 units (30, June 2022: 28,886,715 units)	525,175	523,910
Ronak Iqbal Lakhani - unitholder with more than ten percent holding		
Units held: 8,683,522 units (30 June 2022: 8,683,522 units)	157,871	157,490
BankIslami Pakistan Limited		
Bank Balance in saving account	462	468
Profit receivable	1	-

(Unaudited) September 30, 2022	(Audited) June 30, 2022
----- Rupees in '000 -----	

Gul Ahmed Textile Mills Limited

Ordinary shares held: 283,160 Shares (30 June 2022: 283,160 shares)	8,526	9,574
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Fauji Fertilizer Company Limited

Ordinary shares held: 176,700 Shares (30 June 2022: 184,701 shares)	17,902	20,358
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Taurus Securities Limited

Brokerage payable	1	-
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National Clearing Company of Pakistan Limited (NCCPL)

NCCPL Charges Payable	14	9
Security Deposits	2,750	2,750

11 DATE OF AUTHORISATION FOR ISSUE

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

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

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

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds