



NBP Fund Management Limited



NBP GOVERNMENT SECURITIES LIQUID FUND

QUARTERLY REPORT
SEPTEMBER 30, 2022

MISSION STATEMENT

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

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

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

NBP GOVERNMENT SECURITIES LIQUID FUND



Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

Legal Advisor

Akhund Forbes
D-21, Block, 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
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 condensed Interim financial statements of **NBP Government Securities Liquid Fund** (NGSLF) for the quarter ended September 30, 2022.

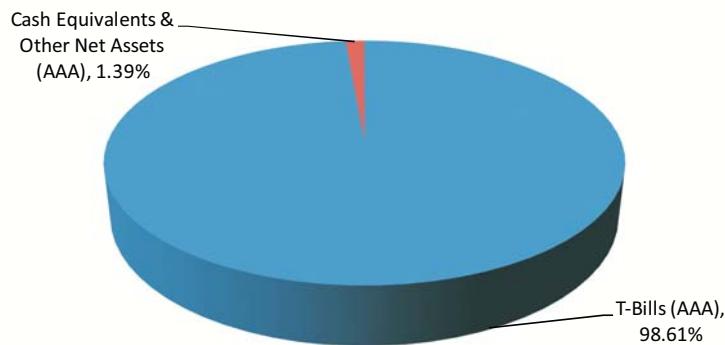
Fund's Performance

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 T-Bills yields increased by 52 bps, 50 bps, and 44 bps for 3 months, 6 months and 12 months, respectively. SBP held six T-Bill auctions, realizing a total of Rs. 4.79 trillion against the maturity of Rs. 5.06 trillion and target of Rs. 4.95 trillion. 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.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risk is exceptionally low due to 70% minimum investment in Government securities (T-Bills) with average maturity of the overall portfolio at 6 days. The Fund invests in AA and above rated Banks/DFIs with maximum maturity of six months.

The size of NBP Government Securities Liquid Fund has decreased from Rs. 1,219 million to Rs. 1,128 million during the period (i.e., a decline of 7%). During the period, the unit price of the Fund has increased from Rs. 9.8786 (Ex-Div) on June 30, 2022 to Rs. 10.2396 on September 30, 2022, thus showing a return of 14.5% p.a. as compared to the benchmark return of 14.6% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 41.78 million during the period. After deducting total expenses of Rs. 3.01 million, the net income is Rs. 38.77 million. The asset allocation of NGSLF as on September 30, 2022 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 3.49% of the opening ex-NAV (3.57% of the par value) during the quarter ended September 30, 2022.

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 فنڈ میجمنٹ لینڈ کے پورڈ آف ڈائریکٹر بصد مصروفت 30 ستمبر 2022ء کو ختم ہونے والی پہلی سماں کے لئے NBP گورنمنٹ سیکورٹیز لیکوئید فنڈ (NGSLF) کے غیر جائز شدہ کا نئی نہ ڈبوری مالیاتی گوشارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

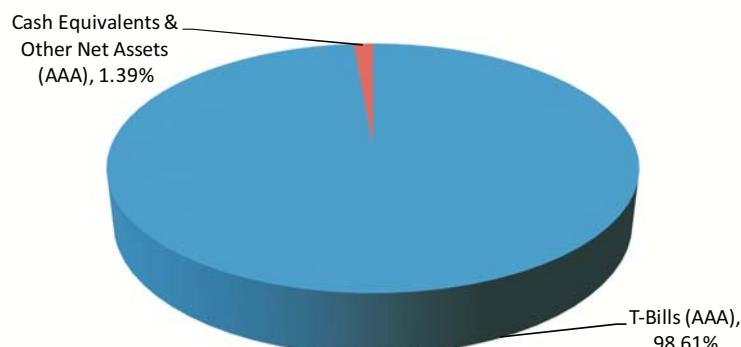
سہ ماہی کے دوران، SBP نے دو مانیٹری پالیسی کی میٹنگ کے اجلاس منعقد کیے اور پالیسی کی شرح کو 125 یس پاؤنس بڑھا کر 15% کر دیا۔ شرح منافع نے فائدہ دیا کیونکہ تی بلزکی پیداوار میں بالترتیب 3 ماہ، 6 ماہ اور 12 ماہ کے لیے باترتیب 44bps، 50bps، 52bps اور 55bps کا اضافہ ہوا۔ SBP نے تی بلزکی چھ نیالامیوں کا انعقاد کیا، جس سے 5.06 ٹریلین روپے کی مبچوری اور 4.95 ٹریلین روپے ہدف کے مقابل کل 4.79 ٹریلین روپے کی وصولی ہوئی۔ اسی عرصے کے دوران CPI کی پیمائش کروہ افراط زیریزی سے بڑھی اور اوسطاً 25.1% ری جو کہ مالی سال 2022 کی پہلی سماں میں 8.6% تھی۔ خراب ہونے والی اشیاء کی قیمتوں اور یونیٹیز میں بھی نمایاں اضافہ ہوا۔ عالمی اور ملکی غیر قیمتی صورتحال اور شرح مبادلہ پر دباؤ کی وجہ سے، مالی سال 23 کے لیے افراط زر کا نقطہ نظر بلند ہے۔ روس اور یوکرین کے تنازع کی ثابت سے بڑھتا ہوا مالی شور اور عالمی بدالتی؛ میں الاقوامی اجتناس کی قیمتوں اور ملکی مالی انتظام کے نقطہ نظر کو نمایاں غیر قیمتی صورتحال کا سامنا ہے۔ نیز، FED کی شرح میں اضافے کے بعد، دنیا بھر کے مرکزی بینکوں کو چیلنج ٹھنڈنے نظر کا سامنا کرنے پر مجبور کر دیا گیا ہے۔

PACRA کی طرف سے "مشتمل رینگ" (f)(AA) دری گئی ہے۔ یہ رینگ فنڈ کے غیر معمولی مشتمل کریڈٹ اور لیکوئیدیٹی پروفائل کی عکاسی کرتی ہے۔ اس فنڈ کی بڑی ایسیٹ کلاس ہے۔ گورنمنٹ سیکورٹیز (T-Bills) میں 6 دنوں میں مجموعی پورٹفولیو کی اوسمی مبچوری کے ساتھ کم از کم 70% سرمایہ کاری کے باعث فنڈ کے کریڈٹ، لیکوئیدیٹی اور امڑست ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی مبچوری کے ساتھ AA یا زائد رینگ والے بینکوں/DFIs میں انویسٹ کرنے کی اجازت ہے۔

اس مدت کے دوران NBP گورنمنٹ سیکورٹیز لیکوئید فنڈ (NGSLF) کا سائز 1,129 میلین روپے سے کم ہو کر 864 میلین روپے ہو گیا یعنی 7% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 9.8766 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2022 کو 10.2396 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 14.6% کے مقابلے میں 14.5% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی میجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 41.78 میلین روپے کی مجموعی آمدی کمائی۔ 3.01 میلین روپے کے اخراجات میہا کرنے کے بعد خالص آمدی 38.77 میلین روپے ہے۔

NGSLF کی ایس ایلوکیشن درج ذیل ہے:



آمدی کی تعمیر

میجنٹ کپنی کے بورڈ آف ڈائریکٹرز نے 30 ستمبر 2022 کو ختم ہونے والی سماں کے لئے اپنگ ex-NAV کا 3.49% (بیاری قدر کا 3.57%) عبوری نقد منافع میقسمہ کی منظوری دی ہے۔

اٹھار تشر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میجنٹ کمپنی پر اعتماد، اعتماد اور خدمت کا موقع فراہم کرنے پر اپنے قبل قدر یونٹ ہولڈرز کا شکر یاد کرتا ہے۔ یہ سیکورٹیز اینڈ ایچیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور ہنمائی کے لئے ان کے ملکی رویہ کا بھی اعتراف کرتا ہے۔

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

مناب بورڈ آف ڈائریکٹرز
NBP میجنٹ لیمیٹڈ

ڈائریکٹر

چیف ایگزیکیوٹو آفیسر

تاریخ: 29 اکتوبر 2022

مقام: کراچی

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

	Note	Un-Audited September 30, 2022	Audited June 30, 2022
		(Rupees in '000)	
ASSETS			
Bank balances	4	56,500	1,250,836
Investments	5	1,112,740	-
Mark-up accrued		949	3,329
Advances and prepayments		10,070	10,123
Receivable against transfer of units		-	6,300
Total assets		1,180,259	1,270,588
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		2,165	1,875
Payable to Central Depository Company of Pakistan Limited - Trustee		56	53
Payable to the Securities and Exchange Commission of Pakistan		54	208
Payable against redemption of units		211	35
Accrued expenses and other liabilities		49,377	49,195
Total liabilities		51,863	51,366
Net Assets		1,128,396	1,219,222
Unit Holders' Funds (as per statement attached)		1,128,396	1,219,222
Contingencies & Commitments	6	-	-
----- Number of units -----			
Number of units in issue		110,199,344	119,211,811
----- Rupees -----			
Net asset value per unit		10.2396	10.2274

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

	Note	Quarter Ended September 30, 2022	Quarter Ended September 30, 2021
		(Rupees in '000)	
INCOME			
Gain / (loss) on sale of investments - net		4	(303)
Income from government securities		34,944	14,902
Profit on bank deposits		6,798	8,480
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		36	(54)
Total Income		<u>41,782</u>	<u>23,025</u>
EXPENSES			
Remuneration to NBP Fund Management Limited - Management Company		544	631
Sindh Sales Tax on remuneration to Management Company		71	82
Remuneration to Central Depository Company of Pakistan Limited - Trustee		150	195
Sindh Sales Tax on Trustee remuneration		19	25
Reimbursement of operational expenses to the Management Company		340	376
Reimbursement of selling and marketing expenses		1,361	1,502
Annual fee - Securities and Exchange Commission of Pakistan		54	60
Securities transaction cost		11	-
Bank charges		24	15
Annual listing fee		7	7
Auditors' remuneration		285	241
Fund rating fee		73	117
Printing Charges		25	25
Legal fee		45	40
Total Expenses		<u>3,009</u>	<u>3,316</u>
Net income from operating activities		<u>38,773</u>	<u>19,709</u>
Reversal of provision against Sindh Workers' Welfare Fund		-	25,954
Net income for the period before taxation		<u>38,773</u>	<u>45,663</u>
Taxation	8	-	-
Net income for the period after taxation		<u>38,773</u>	<u>45,663</u>
Allocation of Net income for the period:			
Net income for the period after taxation		38,773	45,663
Income already paid on units redeemed		(711)	(9,684)
		<u>38,062</u>	<u>35,979</u>
Accounting income available for distribution:			
- Relating to Capital Gains		40	-
- Excluding Capital Gains		<u>38,022</u>	<u>35,979</u>
		<u>38,062</u>	<u>35,979</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 INTERIM 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 for the period after taxation	38,773	45,663
Other comprehensive income	-	-
Total comprehensive income for the period	38,773	45,663

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

	Quarter Ended September 30, 2022			Quarter Ended September 30, 2021		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at the beginning of the period	1,114,644	104,578	1,219,222	1,335,998	103,186	1,439,184
Issue of 13,248,998 units (September 30, 2021: 12,364,209 units)						
- Capital value	135,503	-	135,503	126,297	-	126,297
- Element of income	571	-	571	338	-	338
Total proceeds on issuance of units	136,074	-	136,074	126,635	-	126,635
Redemption of 22,261,465 units (September 30, 2021: 56,940,501 units)						
- Capital value	(227,677)	-	(227,677)	(581,630)	-	(581,630)
- Element of loss	(36)	(711)	(747)	(31)	(9,684)	(9,715)
Total payments on redemption of units	(227,713)	(711)	(228,424)	(581,661)	(9,684)	(591,345)
Total comprehensive income for the period	-	38,773	38,773	-	45,663	45,663
Interim Distributions during the period						
Re. 0.1030 on Jul 28, 2022 (Jul 28, 2021: Re. 0.0489)	(26)	(10,505)	(10,531)	(22)	(6,809)	(6,831)
Re. 0.1341 on Aug 30, 2022 (Aug 26, 2021: Re. 0.2519)	(129)	(13,504)	(13,633)	(4)	(23,031)	(23,035)
Re. 0.1199 on Sep 28, 2022 (Sep 28, 2021: Re. 0.0611)	(352)	(12,733)	(13,085)	(281)	(5,569)	(5,850)
	(507)	(36,742)	(37,249)	(307)	(35,409)	(35,716)
Net assets at the end of the period	1,022,498	105,898	1,128,396	880,665	103,756	984,421
Undistributed income brought forward						
- Realised	104,578			102,815		
- Unrealised	-			371		
	104,578			103,186		
Accounting income available for distribution						
- Relating to capital loss	40			-		
- Excluding capital gain	38,022			35,979		
	38,062			35,979		
Interim Distributions during the period						
	(36,742)			(35,409)		
Undistributed income carried forward	105,898			103,756		
Undistributed income carried forward						
- Realised	105,862			103,810		
- Unrealised	36			(54)		
	105,898			103,756		
	- (Rupees) -			- (Rupees) -		
Net assets value per unit at beginning of the period		10.2274		10.2147		
Net assets value per unit at end of the period		10.2396		10.2206		

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 FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	38,773	45,663
Adjustments:		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(36)	54
	<u>38,737</u>	<u>45,717</u>
(Increase) / decrease in assets		
Investments	(1,112,704)	472,250
Mark-up accrued	2,380	3,098
Advances and prepayments	53	96
	<u>(1,110,271)</u>	<u>475,444</u>
(Decrease) / increase in liabilities		
Payable to NBP Fund Management Limited - Management Company	290	(718)
Payable to Central Depository Company of Pakistan Limited - Trustee	3	(26)
Payable to the Securities and Exchange Commission of Pakistan	(154)	(341)
Payable against purchase of Investments	-	(472,103)
Accrued expenses and other liabilities	182	(26,083)
	<u>321</u>	<u>(499,271)</u>
Net cash (used in) / generated from operating activities	<u>(1,071,213)</u>	<u>21,890</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	141,867	125,029
Payment against redemption of units	(228,248)	(591,443)
Distributions paid	(36,742)	(35,409)
Net cash (used in) financing activities	<u>(123,123)</u>	<u>(501,823)</u>
Net (decrease) in cash and cash equivalents during the period	<u>(1,194,336)</u>	<u>(479,933)</u>
Cash and cash equivalents at the beginning of the period	1,250,836	1,501,997
Cash and cash equivalents at the end of the period	<u>56,500</u>	<u>1,022,064</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

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

1 **LEGAL STATUS AND NATURE OF BUSINESS**

NBP Government Securities Liquid Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 10 April 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by 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 Fund Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund categorised as "money market scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The objective of the Fund is to generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term government securities.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' to the Management Company and a stability rating of 'AAA (f)' to the Fund.

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

During the year ended 30 June, 2021 The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 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 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 September 30, 2022.

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

3 SUMMARY OF 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.

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000)	
4 BANK BALANCES			
Current accounts		26	26
Savings accounts	4.1	<u>56,474</u>	<u>1,250,810</u>
		<u>56,500</u>	<u>1,250,836</u>

- 4.1 These accounts carry rates of return ranging from 6.5% to 16.2% (30 June 2022: 6.5% to 18.28%) per annum.

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000)	
5 INVESTMENTS			
<i>Financial assets 'at fair value through profit or loss'</i>			
Investment in government securities	5.1	<u>1,112,740</u>	-

5.1 Investment in government securities

Issue date	Tenor	Face value			Market value as at September 30, 2022	Market value as a percentage of net assets	Market value as a percentage of total investments				
		As at July 1, 2022	Purchases during the period	Sales / matured during the period							
-----Rupees in '000-----											
Market Treasury Bills											
13 January 2022	6 Months	-	90,300	90,300	-	-	-				
27 January 2022	6 Months	-	1,040,500	1,040,500	-	-	-				
10 March 2022	6 Months	-	1,040,000	1,040,000	-	-	-				
21 April 2022	3 Months	-	950,200	950,200	-	-	-				
02 June 2022	3 Months	-	1,040,000	1,040,000	-	-	-				
30 June 2022	3 Months	-	1,040,000	1,040,000	-	-	-				
14 July 2022	3 Months	-	1,115,000	-	1,115,000	1,112,740	98.61				
						1,112,740	98.61				
						1,112,704	100.00				
Carrying value before fair value adjustment as at 30 September 2022											

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2022 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. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.5% 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 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.

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.11% (September 30, 2021: 1.11%) which includes 0.06% (September 30, 2021: 0.06%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "money market" scheme.

10 TRANSACTIONS WITH CONNECTED PERSONS

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.

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

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

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

		-----(Un-Audited)-----	
		Quarter Ended September 30, 2022	Quarter Ended September 30, 2021
10.1	Details of the transactions with connected persons are as follows:		(Rupees in '000)
	NBP Fund Management Limited - Management Company		
	Remuneration to the Management Company	544	631
	Sindh Sales Tax on remuneration to Management Company	71	82
	Reimbursement of operational expenses to the Management Company	340	376
	Reimbursement of selling and marketing expenses	1,361	1,502
	Sales load including Sindh sales tax	66	52
	ADC charges including Sindh sales tax	19	3
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration to the Trustee	150	195
	Sindh Sales Tax on Trustee remuneration	19	25
	Employees of the Management Company		
	Units issued: 71,365 units (September 30, 2021: 14,400 units)	731	148
	Units redeemed: 47,892 units (September 30, 2021: 32,613 units)	494	335
	NBP Employees Pension Fund - (Subsidiary of Parent Company)		
	Units issued: 994,416 units (September 30, 2021: 904,646 units)	10,172	9,241
	Fauji Fertilizer Company Limited		
	(Common Directorship with the Management Company)		
	Units issued: 13 units (September 30, 2021: 12 units)	-	-
	Portfolios managed by the Management Company		
	Units issued: 31,971 units (September 30, 2021: Nil units)	327	-
	Units Redeemed: 14,871,205 units (September 30, 2021: Nil units)	152,366	-

	Un-Audited As at September 30, 2022	Audited As at June 30, 2022
10.2 Amounts outstanding as at quarter end		(Rupees in '000)
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	181	172
Sindh Sales Tax on remuneration of the Management Company	24	22
Reimbursement of operational expenses	340	301
Reimbursement of selling and marketing expense	1,361	1,205
Sales load including Sindh Sales Tax	230	164
ADC charges including Sindh Sales Tax	29	11
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	50	47
Sindh Sales Tax on remuneration of the Trustee	6	6
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	864	919
Bank profit receivable	7	41
BankIslami Pakistan Limited (Common Directorship)		
Bank balance	174	-
Employees of the Management Company		
Investment held in the Fund: 365,108 units (June 30,2022: 341,635 units)	3,739	3,494
NBP Employees Pension Fund - (Subsidiary of Parent Company)		
Investment held in the Fund: 29,167,425 units (June 30,2022: 28,173,009 units)	298,663	288,137
Fauji Fertilizer Company Limited- (Common Directorship)		
Investment held in the Fund: 457 units (June 30,2022: 444 units)	5	5
*Portfolios managed by the Management Company		
Investment held in the Fund: Nil units (June 30,2022: 14,839,234 units)	-	151,767

* 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 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

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