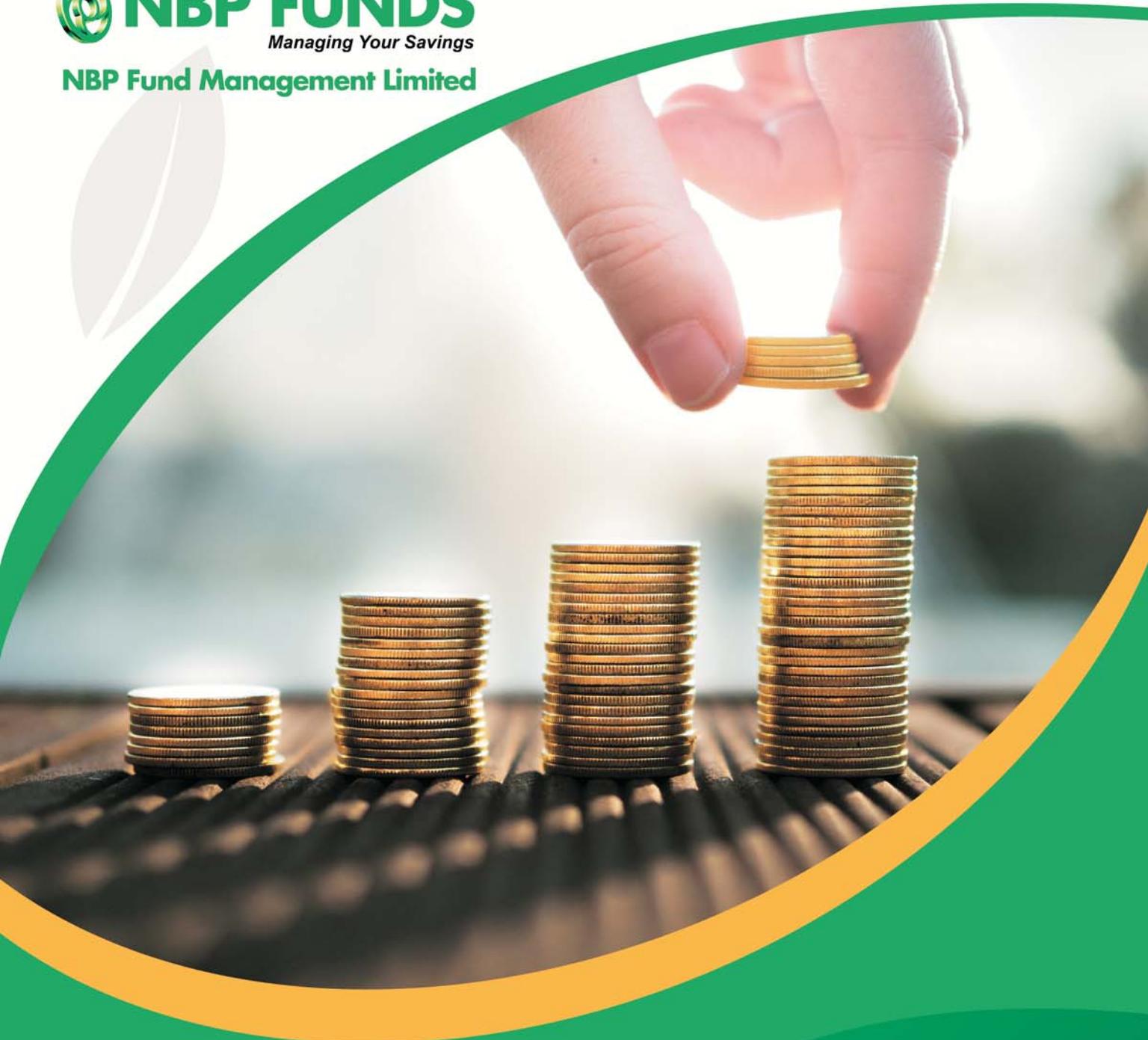




NBP Fund Management Limited



**NBP  
PAKISTAN GROWTH  
EXCHANGE TRADED 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

Habib Metropolitan Bank Limited  
JS Bank Limited

## 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](http://www.nbpfunds.com)

## Lahore Office:

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

## Islamabad Office:

1st Floor, Ranjha Arcade  
Main Double Road, Gulberg Greens,  
Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
Fax: 051-4859031

## Peshawar Office:

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

## Multan Office:

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

## DIRECTORS' REPORT

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

### Fund's Performance

The size of NBP Pakistan Growth Exchange Traded Fund has increased from Rs. 52 million to Rs. 53 million during the period, i.e., a increase of 2%. During the period, the unit price of NBP Pakistan Growth Exchange Traded Fund (NBPGETF) has increased from Rs. 9.4530 on June 30, 2022 to Rs9.6235 on September 30, 2022, thus showing an increase of 1.8%. The Benchmark for the same period increases by 2.7%. Thus, the Fund has underperformed its Benchmark by 0.9% during the period under review Tracking error for the period was 0.06%. Since inception the NAV of the Fund has increased from Rs. 9.3352 (Ex-Div) on October 05, 2020 Rs9.6235 on September 30, 2022, thus showing an increase of 3.1%. During the said period, the Benchmark increased by 8.2%, translating into underperformance of 5.1%. This performance is net of management fee and all other expenses.

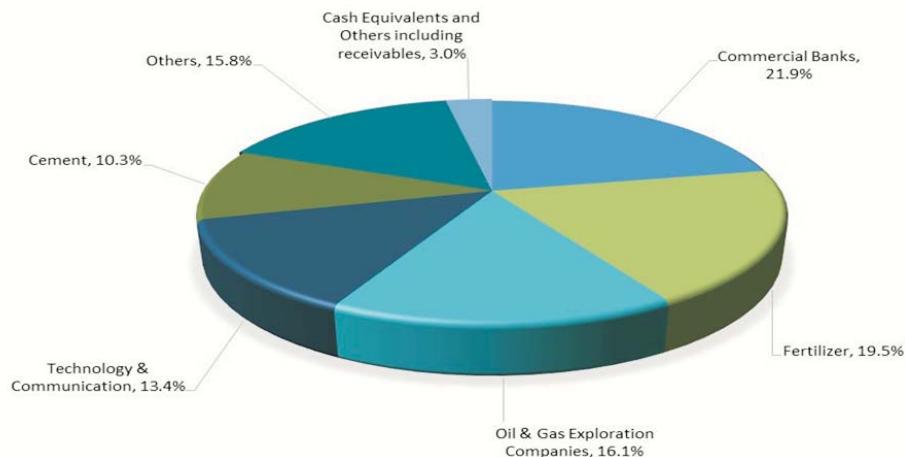
Equity market performance remained muted during 1QFY23, as the benchmark KSE-100 index fell by 412 points, translating into a modest decline of 1% for the period. Throughout the quarter, the market remained volatile and oscillated within a range driven by the news-flow.

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.

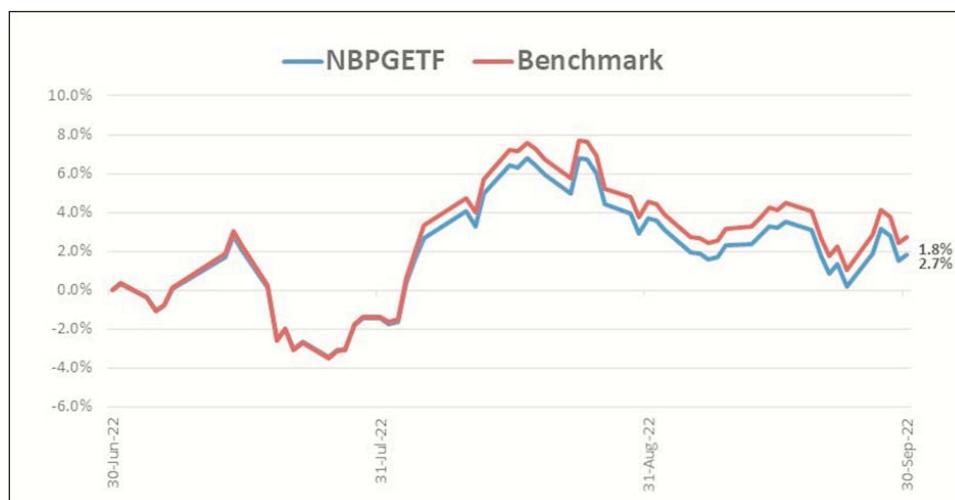
In terms of sector wise performance, Cements, Engineering, Food & Personal Care, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Technology & Communication, Textile Composite and Transport sectors outperformed the market. On the other hand, Auto Assemblers, Fertilizers, 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.

The Fund has earned a total income of Rs. 1.28 million during the year. After accounting for total expenses of Rs. 0.35 million, the net income is Rs.0.93 million. The asset allocation of NBP Pakistan Growth Exchange Traded Fund as on September 30, 2022 is as follows:

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



## NBPGETF Performance versus Benchmark



## Acknowledgement

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

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

On behalf of the Board of  
**NBP Fund Management Limited**

**Chief Executive Officer**

Date: October 29, 2022  
Place: Karachi.

**Director**

## ڈائریکٹر رپورٹ

NBP فنڈ میجمنٹ لیمیٹڈ کے یورڈ آف ڈائریکٹر بھروسہ 30 ستمبر 2022ء کو ختم ہونے والی پہلی سماں کے لئے NBP پاکستان گروچہ اکچیخ ٹریڈ فنڈ (NBPGETF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

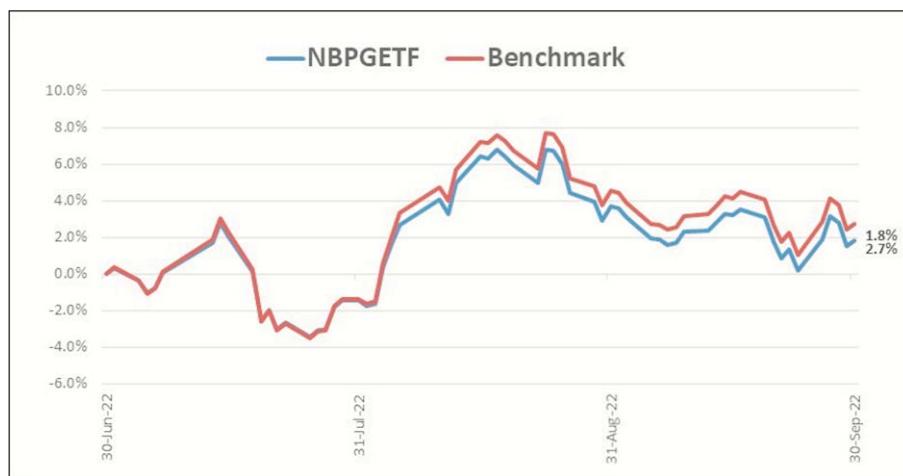
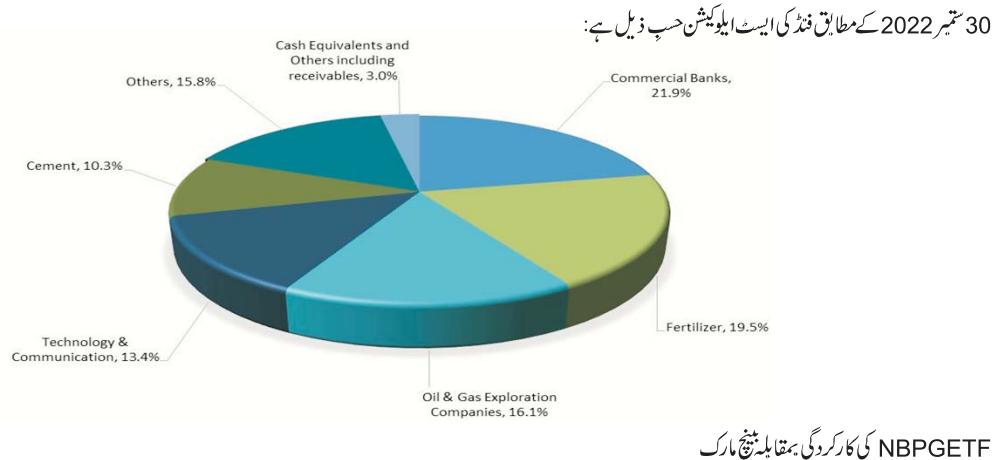
موجودہ مدت کے دوران NBP پاکستان گروچہ اکچیخ ٹریڈ فنڈ کا سائز 52 ملین روپے سے بڑھ کر 53 ملین روپے ہو گیا یعنی 2% کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران، NBP پاکستان گروچہ اکچیخ ٹریڈ فنڈ (NBPGETF) کے یونٹ کی قیمت 30 جون 2022 کو 9.4530 روپے سے بڑھ کر 30 ستمبر 2022 کو 9.6235 روپے ہو گی، لہذا اسی مدت کے دوران 1.8% کا اضافہ کیا گی۔ آئی مدت میں نیچے مارک 2.7 فیصد کا اضافہ ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے نیچے مارک سے 0.9% اتہار کر کر دی ظاہر کی، مدت کے لئے ٹرینگ ایر 0.06% تھا۔ اپنے آغاز سے فنڈ کا NAV 105 کا توبر 2020 کو 9.3352 (Ex-Div) کا توبر 2022 کو 9.6235 روپے سے بڑھ کر 30 ستمبر 2022 کو 9.4530 روپے ہو گیا، لہذا موجودہ مدت کے دوران، نیچے مارک 8.2% سے بڑھا، لہذا 5.1% کی اتہار کر کر دی ظاہر کیا۔ فنڈ کی یہ کارکردگی میجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 2023 کی پہلی سماں کے دوران ایکویٹی مارکیٹ کی کارکردگی سُست رہی، کیونکہ نیچے مارک 30 KMI اندیکس میں 1,303 پاؤنس کی کمی واقع ہوئی، جس کے نتیجے میں اسی مدت میں 1.9% کی معمولی کی واقع ہوئی۔ پوری سماں کے دوران، مارکیٹ اتنا چھڑا کا بیکار رہی اور خبروں کی گردش کے تحت ایک حد کے اندر رہی گھومتی رہی۔

اس عرصے کے دوران مستحکم کارپوریٹ آمدی کے اعلان کے باوجود مارکیٹ کی قیمت کا کارکردگی سُست رہی، جس سے ظاہر ہوتا ہے کہ مالی سال 2022 میں 10% پر ٹیکس کے نفاذ کے باوجود کارپوریٹ منافع تقریباً 12% رہا۔ تاہم، اس کا نتیجہ اسکا مارکیٹ کی کارکردگی کے مطابق حاصل نہیں ہوا کیونکہ کمزور میکرو اکنامک اشاروں نے استحکام اور مستقبل کے نقطہ نظر پر شکوہ و شہادت کا اظہار کیا۔ سرمایہ کاروں نے بلند کرنٹ اکاؤنٹ خارے، جو کہ تقریباً 2.2 ملین امریکی ڈالر تھا، پر خاص توجہ مرکوز رکھی، ریکارڈ بلند افراط از جو اس مدت کے دوران تقریباً 25.1 فیصد تھی، اور اسیٹ بیک کے ذخیرے میں 1.9 ملین امریکی ڈالر سے کمی کے باعث تبیر کے اختتام پر 9.7 ملین امریکی ڈالر کے قریب پہنچ گیا۔ امریکی ڈالر کے مقابلے میں پاکستانی روپیہ مسلسل گرتار رہا، اور اس میں مزید 23.7 پاکستانی روپیہ کے ذخیرے میں 11.6% کی گراوٹ ہوئی، جس نے جذبات کو بھی مجموع کیا۔ سماں کے وسط میں مارکیٹ میں تیزی سے بہتری پہنچی گئی، کیونکہ IMF اپر گرام میابی کے ساتھ دوبارہ شروع ہوا جس کے تحت 1.2 ملین امریکی ڈالر کے قرض کی قحط موصول ہوئی۔ تاہم، یہ فوائد تضخم مدت ثابت ہوئے جیسا کہ غیر معمولی بارشوں کے نتیجے میں ملک میں بڑے پیمانے پر سیالب آیا جس کے نتیجے میں تقریباً 30 ملین امریکی ڈالر کے اقتصادی نقصان کے ساتھ بڑے پیمانے پر جاتی ہوئی۔ اس نے معاشر نقطہ نظر کو مزید خراب کر دیا، کیونکہ جی ٹی پی کے 3% تا 4% تضمین کو کم کر کے 2% تک کر دیا گیا اور افراط زرکی تو گفات کو بھی بڑھانے پر نظر ٹانی کی گئی۔ سیالب سے تجارت کا توازن بھی بگرتا ہے کیونکہ اس سے کپاس کی فصل کے نقصان، گندم کی مکمل کمی اور چاول کی برآمدات میں پہنچ کمی کی وجہ سے زیادہ درآمدات کی ضرورت ہو گی۔ یہ ورنی لحاظ سے، شرکاء یہروںی قرضوں کی واپسی کی وجہ سے مالی اکاؤنٹ پر معابرے کی ادائیگیوں میں اضافے کے بارے میں فکر مند تھے۔ سماں کے دوران میں الاؤای بانڈ کا منافع بعض آلات میں ریکارڈ بلند سطح تک پہنچ گیا۔

سیکیوریٹس کارکردگی کے لحاظ سے سیہنٹ، انھیں نیک، فوڈ اینڈ پرنسل کیس مارکینگ کمپنیاں، پیپر اینڈ یورڈ، پاور جیز لیشن اور ڈسٹری یوشن، یکنا لوچی اور کمپنیکیشن، یکٹاٹکل کپوزٹ اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہر کیا۔ دوسرا جاپ آٹو سیبلر ز، فریٹلائزر، انٹرنیس، آئکل اینڈ گیس ایکل پوریشن، فارماسیوٹکل اور ریفارم کے شعبے مارکیٹ میں پہنچ 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 بعد، انٹرنیس اور میوجل فنڈز نے اپنی خالص ہوولڈنگز کو بالترتیب 41 ملین امریکی ڈالر اور 35 ملین امریکی ڈالر تک کم کیا۔

فنڈ کو سال کے دوران 1.28 ملین روپے کی مجموعی آمدی ہوئی ہے۔ 0.35 ملین روپے کے اخراجات میں کارنے کے بعد، خالص آمدی 0.93 ملین روپے ہے۔ 30 ستمبر 2022 کے مطابق NBP پاکستان گروچہ اکچیخ ٹریڈ فنڈ کی ایسٹ ایلوکیشن حب ذیل ہے:



## اٹھار تھیز

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میجنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سکورٹیز اینڈ اچیشن آف پاکستان اور اسٹائٹ یونک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مغلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اشاف اور ٹریڈ کی طرف سے سخت محنت لگان اور عزم کے مظاہرے پر اپنا خراج قسمیں بھی ریکارڈ پر لانا چاہتا ہے۔

من جانب بورڈ آف ڈائریکٹر  
NBP نیشنل 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)	
<b>ASSETS</b>			
Bank balances		2,001	3,487
Investments	4	51,259	48,772
Profit receivable		3	10
Other receivables		71	63
<b>Total assets</b>		<b>53,334</b>	<b>52,332</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - Management Company		57	57
Payable to Central Depository Company of Pakistan Limited - Trustee		5	5
Payable to the Securities and Exchange Commission of Pakistan		3	12
Payable against purchase of investments		-	-
Accrued expenses and other liabilities		436	266
<b>Total liabilities</b>		<b>501</b>	<b>340</b>
<b>NET ASSETS</b>			
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>52,833</b>	<b>51,992</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>NUMBER OF UNITS IN ISSUE</b>	5	<b>Number of units</b>	
		<b>5,490,000</b>	<b>5,500,000</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>Rupees</b>	
		<b>9.6235</b>	<b>9.4530</b>

The annexed notes 1 to 10 form an integral part of this 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)	
<b>INCOME</b>			
Profit on bank deposits		52	32
Dividend income		984	1,056
		1,036	1,088
Gain / (Loss) on sale of investments - net		301	(5)
Unrealised (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		(53)	(3,524)
		248	(3,529)
<b>Total income / (loss)</b>		<b>1,284</b>	<b>(2,441)</b>
<b>EXPENSES</b>			
Remuneration of NBP Fund Management Limited - Management Company		100	115
Sindh Sales Tax on remuneration of the Management Company		13	15
Remuneration of Central Depository Company of Pakistan Limited - Trustee		13	15
Sindh Sales Tax on remuneration of the Trustee		2	2
Annual fee of the Securities and Exchange Commission of Pakistan		3	3
Listing Fee		3	5
Securities transaction cost		17	6
Auditors' remuneration		127	101
Legal and professional charges		39	45
Settlement and bank charges		23	27
Printing charges		9	10
<b>Total operating expenses</b>		<b>349</b>	<b>344</b>
<b>Net income / (loss) from operating activities</b>		<b>935</b>	<b>(2,785)</b>
Element of income / (losses) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		1	(5)
Reversal against Sindh Workers' Welfare Fund		-	198
<b>Net income / (loss) for the period before taxation</b>		<b>936</b>	<b>(2,592)</b>
Taxation	6	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>936</b>	<b>(2,592)</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		248	-
- Excluding capital gains		688	-
		<b>936</b>	<b>-</b>

The annexed notes 1 to 10 form an integral part of this 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)		
<b>Net income / (loss) for the period after taxation</b>	936	(2,592)
Other comprehensive income for the period	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>936</b>	<b>(2,592)</b>

The annexed notes 1 to 10 form an integral part of this 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		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
<b>Net assets at beginning of the period</b>	54,871	(2,879)	51,992	56,400	5,229	61,629
Issuance of 10,000 units (2021: 20,000 units)						
- Capital value	94	-	94	219	-	219
- Element of (loss)	2	-	2	1	-	1
Total proceeds on issuance of units	96	-	96	220	-	220
Redemption of 20,000 units (2021: 80,000 units)						
- Capital value	(189)	-	(189)	(875)	-	(875)
- Element of income	(1)	-	(1)	(6)	-	(6)
Total payments on redemption of units	(190)	-	(190)	(881)	-	(881)
Element of income / (losses) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	(1)	-	(1)	5	-	5
Total comprehensive income / (loss) for the period	-	936	936	-	(2,592)	(2,592)
<b>Net assets at end of the period (un-audited)</b>	<b>54,776</b>	<b>(1,943)</b>	<b>52,833</b>	<b>55,744</b>	<b>2,637</b>	<b>58,381</b>
 Undistributed income brought forward forward:						
- Realised income		8,580			757	
- Unrealised income		(11,459)			4,472	
		<u>(2,879)</u>			<u>5,229</u>	
Accounting income available for distribution:						
- Relating to capital gains		248			-	
- Excluding capital gains		688			-	
		<u>936</u>			<u>-</u>	
Net income / (loss) for the period after taxation		-			(2,592)	
Undistributed income carried forward		<u>(1,943)</u>			<u>2,637</u>	
Undistributed income carried forward:						
- Realised income		(1,890)			6,161	
- Unrealised (loss)		(53)			(3,524)	
		<u>(1,943)</u>			<u>2,637</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period		<u>9,4530</u>			<u>10,9271</u>	
Net assets value per unit at end of the period		<u>9,6235</u>			<u>10,4626</u>	

The annexed notes 1 to 10 form an integral part of this 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)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	936	(2,592)
<b>Adjustments</b>		
Profit on bank deposits	(52)	(32)
Dividend income	(984)	(1,056)
Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	53	3,524
Element of (income) / losses and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(1)	5
(Reversal) against Sindh Workers' Welfare Fund	-	(198)
	<b>(984)</b>	<b>2,243</b>
<b>(Increase) / Decrease in assets</b>		
Other receivables	(8)	(6)
Investments - net	(2,540)	321
	<b>(2,548)</b>	<b>315</b>
<b>Increase in liabilities</b>		
Payable to NBP Fund Management Limited - Management Company	-	(3)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-
Payable to the Securities and Exchange Commission of Pakistan	(9)	(6)
Accrued expenses and other liabilities	170	89
	<b>161</b>	<b>80</b>
Dividend income received	984	652
Profit received on bank deposits	59	32
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,392)</b>	<b>730</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	96	220
Amount paid against redemption of units	(190)	(1,092)
<b>Net cash (used in) from financing activities</b>	<b>(94)</b>	<b>(872)</b>
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(1,486)</b>	<b>(142)</b>
Cash and cash equivalents at the beginning of the period	3,487	2,541
<b>Cash and cash equivalents at the end of the period</b>	<b>2,001</b>	<b>2,399</b>

The annexed notes 1 to 10 form an integral part of this 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 Pakistan Growth Exchange Traded Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the 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 June 03, 2020

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 Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorized as an open ended exchange traded mutual fund that aims to provide investors an opportunity to track the performance of NBP Pakistan Growth Index that has been constituted and is maintained by the Management Company and comprises of 15 equity securities selected with high consideration towards market capitalisation and traded value.

The Fund is a hybrid fund having features of both open ended and close ended funds. A new concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holders of the units keep on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between APs and Management Company and cash will be paid / received if there is a difference in the market value of shares and net asset value.

The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of AM1 as at June 22, 2022 to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.

The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

The Fund is an Open Ended Exchange Traded Mutual Fund categorised as "Listed Index Tracking Fund" and is listed on Pakistan Stock Exchange (PSX) Limited.

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 November 02, 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 as applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS) 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
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.
- 3.2** 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

	<b>(Un-audited)</b>	<b>(Audited)</b>
	September 30, 2022	June 30, 2022

<b>Note</b>	--(Rupees in '000)--
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#### At fair value through profit or loss

Quoted equity securities

4.1

**51,259**

**48,772**

**4.1 Investments in equity securities - listed**

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

Name of the Investee Company	Number of shares held					Market value	Net assets of the Fund	Total market value of investments	Holding as a percentage of paid-up capital of investee company
	As at July 1, 2022	Purchased during the period	Bonus / right shares received during the	Sold during the period	As at September 30, 2022				
<b>OIL AND GAS MARKETING COMPANIES</b>									
Pakistan State Oil Company Limited *	16,500	30	-	60	16,470	2,675	4.58%	4.80%	-
						2,675	4.58%	4.80%	
<b>OIL AND GAS EXPLORATION COMPANIES</b>									
Oil and Gas Development Company Limited *	51,150	93	-	735	50,508	3,825	6.55%	6.86%	-
Pakistan Oilfields Limited *	6,050	11	-	22	6,039	2,108	3.61%	3.78%	-
Pakistan Petroleum Limited *	39,600	2,268	-	144	41,724	2,564	4.39%	4.60%	-
						8,497	14.55%	15.24%	
<b>FERTILIZERS</b>									
Engro Corporation Limited *	15,400	577	-	56	15,921	3,686	6.31%	6.61%	-
Engro Fertilizer Limited *	34,100	6,101	-	124	40,077	3,127	5.36%	5.61%	-
Fauji Fertilizer Company Limited *	31,900	2,803	-	116	34,587	3,504	6.00%	6.28%	-
						10,317	17.67%	18.50%	
<b>CEMENT</b>									
Lucky Cement Limited *	8,250	2,760	-	30	10,980	5,452	9.34%	9.78%	-
						5,452	9.34%	9.78%	
<b>CHEMICALS</b>									
Engro Polymer & Chemicals	-	35,136	-	-	35,136	1,926	3.30%	3.45%	-
						1,926	3.30%	3.45%	
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
The Hub Power Company Limited *	54,450	99	-	1,296	53,253	3,723	6.38%	6.68%	-
						3,723	6.38%	6.68%	
<b>COMMERCIAL BANKS</b>									
Meezan Bank Limited *	22,000	4,542	2,635	80	29,097	3,194	5.47%	5.73%	-
Habib Bank Limited *	41,250	5,016	-	150	46,116	3,215	5.51%	5.77%	-
MCB Bank Limited *	21,450	39	-	21,489	-	-	0.00%	0.01%	-
Bank Alfalah Limited*	46,200	84	-	1,266	45,018	1,402	2.40%	2.51%	-
United Bank Limited *	30,800	2,252	-	112	32,940	3,784	6.48%	6.79%	-
						11,595	19.86%	20.81%	
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
TRG Pakistan Limited	63,800	116	-	9,016	54,900	7,074	12.12%	12.69%	0.01%
						7,074	12.12%	12.69%	
<b>Total - September 30, 2022</b>						51,259	84.50%	89%	
Carrying value as at September 30, 2022						51,313			

\* Nil figure due to rounding off difference.

**5 CONTINGENCIES AND COMMITMENTS**

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

**6 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.

**7 TOTAL EXPENSE RATIO**

The annualized total expense ratio (TER) of the Fund based on the current period is 2.62% (2021: 2.24%) which includes 0.13% (2021: 0.13%) representing Government Levies and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorized as an "Index" scheme.

**8 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**

- 8.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 8.2** Transactions with connected persons / related parties are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 8.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 8.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

**8.5** Details of transactions with related parties / connected persons during the period are as follows:

	-----(Un-audited)-----	Quarter Ended September 30, 2022	Quarter Ended September 30, 2021
	----- (Rupees in '000) -----		
<b>NBP Fund Management Limited - Management Company</b>			
Remuneration of NBP Fund Management Limited - Management Company	100	115	
Sindh Sales Tax on remuneration of the Management Company	13	15	
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration of Central Depository Company of Pakistan Limited - Trustee	13	15	
Sindh Sales Tax on remuneration of the Trustee	2	2	
Settlement charges	3	26	
<b>Taurus Securities Limited - subsidiary of parent company</b>			
Brokerage expense	-	1	
<b>Fauji Fertilizer Company Limited - common directorship</b>			
Purchase of 2,803 shares (2022: purchased of 673 shares)	293	72	
Sale of 116 shares (2022: sale of 457 shares)	13	49	
Dividend income	67	84	
<b>JS Global Capital Limited - unit holder with more than 10% holding</b>			
Brokerage expense		1	
Units purchased during the period: 10,000 (2021: 20,000 units purchased)	96	220	
Units redeemed during the period: 20,000 (2021: 80,000 units purchased)	190	880	

**8.6** Amounts / balances outstanding as at period end are as follows

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

**(Rupees in '000)**

<b>NBP Fund Management Limited - Management Company</b>			
Remuneration of the Management Company	33	33	
Sindh Sales Tax on remuneration of the Management Company	4	4	
Other payable to Management Company	20	20	
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration payable to the Trustee	4	4	
Sindh Sales Tax payable on Trustee remuneration	1	1	
Settlement charges payable	3	4	
<b>Fauji Fertilizer Company Limited - common directorship</b>			
Shares held - 32,364 shares (June 30, 2022 : 31,900 shares)	3,504	3,516	
<b>JS Global Capital Limited - unit holder with more than 10% holding</b>			
Units held: 4,990,000 units (June 30, 2021: 5,000,000 units)	48,021	47,265	
<b>MRA Securities Limited - unit holder with more than 10% holding</b>			
Units held: 500,000 units (June 30, 2021: 500,000 units)	4,812	4,727	

**9 DATE OF AUTHORISATION FOR ISSUE**

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

**10 GENERAL**

Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

## **Head Office**

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