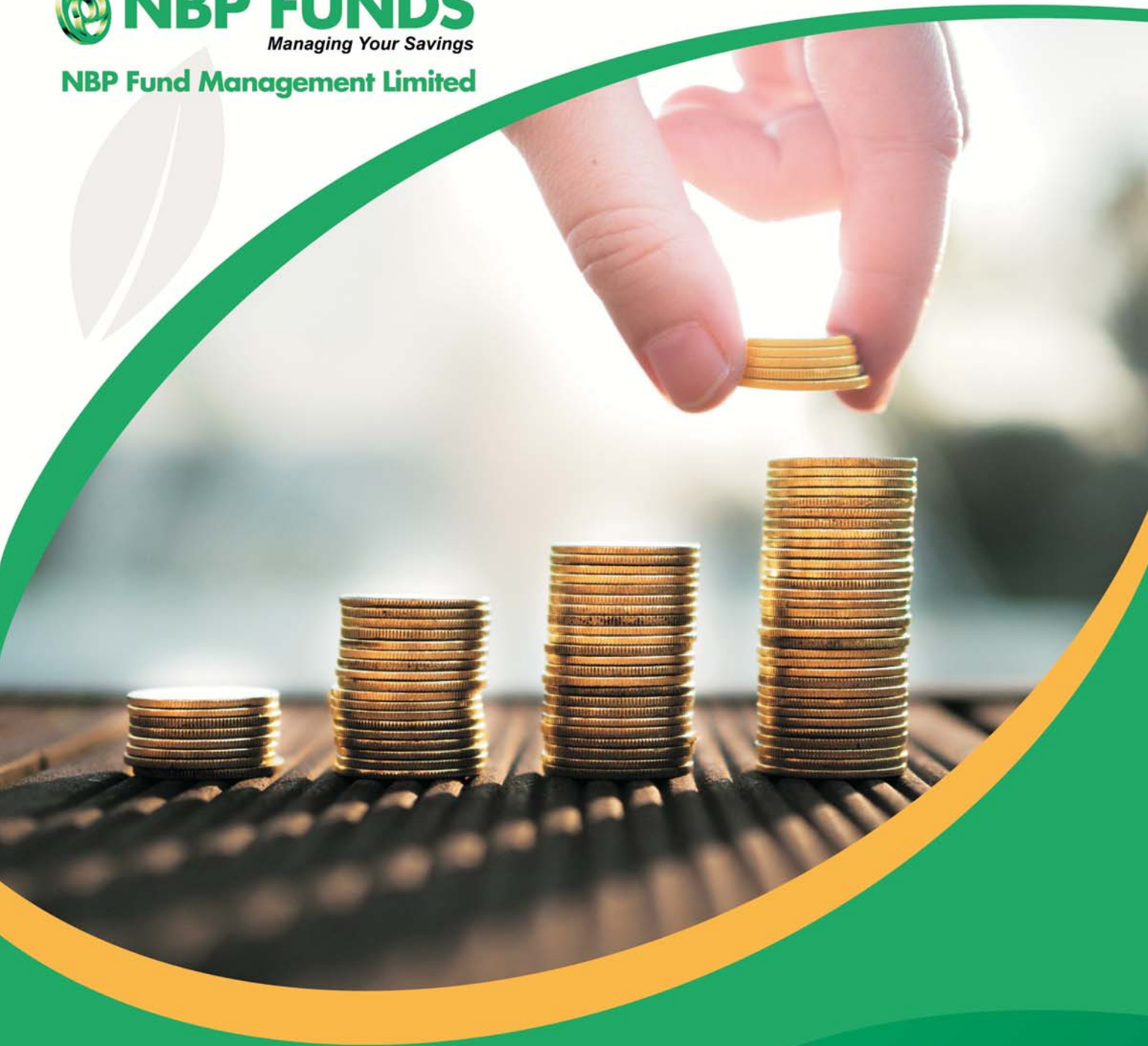




# NBP FUNDS

*Managing Your Savings*

NBP Fund Management Limited



## NBP SAVINGS FUND

**AM1**  
Rated by PACRA

**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  
Bank Islami Pakistan Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Silk Bank Limited  
Soneri Bank Limited  
Telenor Microfinance Bank Limited  
HBL Microfinance Bank Limited  
United Bank Limited  
U Microfinance Bank Limited  
Khushhali Microfinance Bank Limited  
Habib Metropolitan Bank Limited  
Mobilink Microfinance 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.nbpffunds.com](http://www.nbpffunds.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 Savings Fund (NBP-SF)** for the quarter ended September 30, 2022.

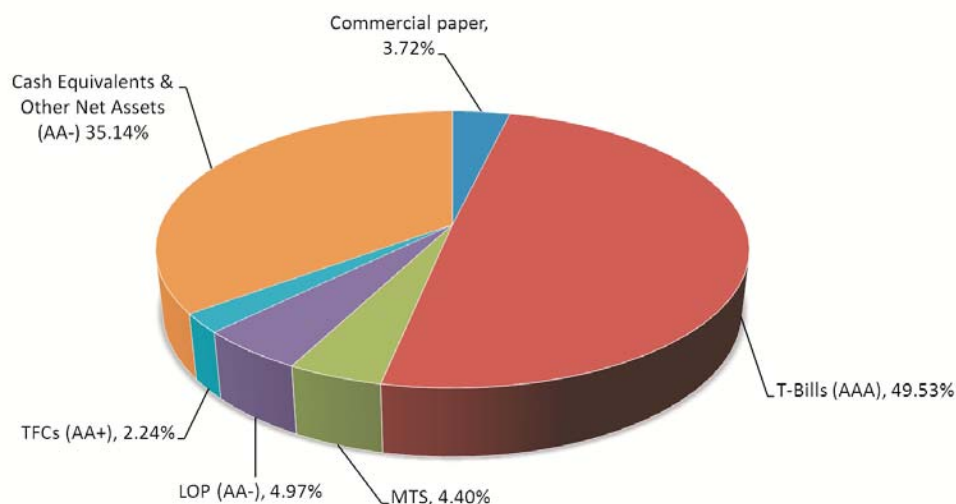
### Fund's Performance

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 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. 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.

NBP-SF is categorized as an Income Scheme and has been awarded stability rating of 'A (f)' by PACRA.

The size of NBP Savings Fund has increased from Rs. 1,728 million to Rs. 2,013 million during the period (i.e., a notable growth of 16%). During the period, the unit price of NBP Savings Fund has increased from Rs. 9.8335 on June 30, 2022 to Rs. 10.1596 on September 30, 2022, thus showing a return of 13.2% p.a. as compared to the benchmark return of 15.9% 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. 71.78 million during the year. After deducting total expenses of Rs. 11.42 million, the net income is Rs. 60.36 million. The asset allocation of NBP-SF as on September 30, 2022 is as follows:



## 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.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بعد مسرت 30 ستمبر 2022ء کو ختم ہونے والی سہ ماہی کے لئے NBP سیونگ فنڈ (NBP-SF) کے غیر جانچ شدہ کنڈینسڈ مالیاتی گوشوارے پیش کرتے ہیں۔

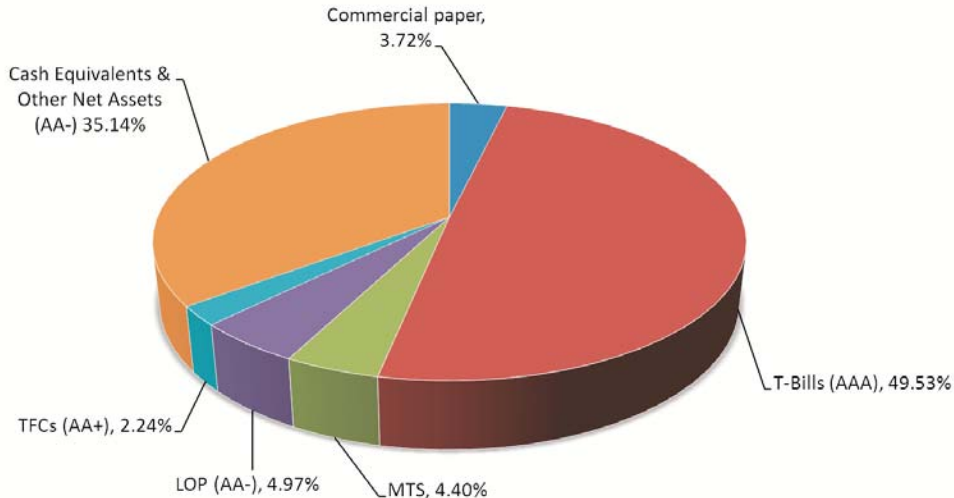
### فنڈ کی کارکردگی

سہ ماہی کے دوران، SBP نے دو مائٹری پالیسی کمیٹی کے اجلاس منعقد کیے اور پالیسی کی شرح کو 125 بیس پوائنٹس بڑھا کر 15% کر دیا۔ حکومتی شرح منافع فائدہ مند رہا کیونکہ PIB کے منافع میں بالترتیب 3 سال اور 5 سال کے لیے 38bps اور 19bps کا اضافہ ہوا۔ SBP نے PIB کی تین ٹیلامیوں کا انعقاد کیا، جس سے 1,132 بلین روپے منچورٹی اور 500 بلین روپے ہدف کے مقابلے میں کل 687 بلین روپے کی وصولی ہوئی۔ اس کے علاوہ، کارپوریٹ بانڈ کی سرگرمی سست رہی، جس کی تجارت کی مجموعی قدر میں ستمبر 2021 کے مقابلے میں 6% کی کمی واقع ہوئی۔ اگرچہ کارپوریٹ ڈیٹ سیکورٹیز کا نیا اجراء ہوا تاہم ثانوی مارکیٹ میں تجارتی سرگرمی 2.11 بلین روپے کے برعکس 1.98 بلین روپے درج کی گئی۔ اسی عرصے کے دوران CPI کی پینالٹس کردہ افراط زر تیزی سے بڑھی اور اوسطاً 25.1% رہی جو کہ مالی سال 2022 کی پہلی سہ ماہی میں 8.6% تھی۔ خراب ہونے والی اشیاء کی قیمتوں اور یوٹیلٹیز میں بھی نمایاں اضافہ ہوا۔ عالمی اور ملکی غیر یقینی 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 شدت سے بڑھتا ہوا سیاسی شورش اور عالمی بد امنی؛ بین الاقوامی اجناس کی قیمتوں اور ملکی مالی استحکام کے نقطہ نظر کو نمایاں غیر یقینی صورتحال کا سامنا ہے۔ نیز، FED کی شرح میں اضافے کے بعد، دنیا بھر کے مرکزی بینکوں کو چیلنجنگ نقطہ نظر کا سامنا کرنے پر مجبور کر دیا گیا ہے۔

NBP-SF کی انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔

موجودہ مدت کے دوران NBP سیونگ فنڈ کا سائز 1,728 بلین روپے سے بڑھ کر 2,013 بلین روپے ہو گیا (یعنی 16% کا نمایاں اضافہ ہوا)۔ زیر جائزہ مدت کے دوران، NBP سیونگ فنڈ کی یونٹ کی قیمت 30 جون 2022 کو 9.8335 روپے سے بڑھ کر 30 ستمبر 2022 کو 10.1596 روپے ہو گئی۔ لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک 15.9% کے مقابلے میں 13.2% منافع درج کیا ہے۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 71.78 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 11.42 بلین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 60.36 بلین روپے ہے۔ 30 ستمبر 2022 کے مطابق NBP-SF کی ایسٹ ایلوکیشن حسب ذیل ہے:







## اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 اکتوبر 2022

مقام: کراچی

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

		(Unaudited) 30 September 2022 (Rupees in '000)	(Audited) 30 June 2022
	Note		
<b>Assets</b>			
Balances with banks	4	708,740	1,651,129
Investments	5	1,216,619	72,300
Profit receivable		11,685	18,204
Receivable against margin trading system		88,607	-
Deposits, prepayments and other receivables		1,307	1,123
<b>Total assets</b>		<b>2,026,958</b>	<b>1,742,756</b>
<b>Liabilities</b>			
Payable to NBP Fund Management Limited - the Management Company		11,040	8,482
Payable to Central Depository Company of Pakistan Limited - the Trustee		136	107
Payable to the Securities and Exchange Commission of Pakistan		93	302
Payable against redemption of units		1,538	256
Accrued expenses and other liabilities		1,422	5,254
<b>Total liabilities</b>		<b>14,229</b>	<b>14,401</b>
<b>Net assets</b>		<b>2,012,729</b>	<b>1,728,355</b>
<b>Unit holders' fund (As per statement attached)</b>		<b>2,012,729</b>	<b>1,728,355</b>
<b>Contingencies and commitments</b>	6	-	-
		(Number of units)	
<b>Number of units in issue</b>		<b>198,110,895</b>	<b>175,762,211</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>10.1596</b>	<b>9.8335</b>

The annexed notes 1 to 13 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	September 30
	2022	2021
Note	(Rupees in '000)	
<b>Income</b>		
Return / mark-up on:		
- bank balances and term deposits	54,044	20,694
- term finance certificates and sukuk	1,105	327
- government securities	13,194	2,128
- commercial paper	2,484	988
- margin trading system	230	6,593
- letter of placement	658	-
Net Gain / (Loss) on sale of investments	7	(7)
Net unrealised gain on re-measurement of investments at fair value through profit or loss - held for trading	56	1
<b>Total income</b>	<b>71,778</b>	<b>30,724</b>
<b>Expenses</b>		
Remuneration of NBP Fund Management Limited - Management Company	5,309	2,142
Sindh Sales Tax on remuneration of Management Company	690	278
Reimbursement of allocated expenses	581	474
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	349	284
Sindh Sales Tax on remuneration of the Trustee	45	37
Annual fee to the Securities and Exchange Commission of Pakistan	93	76
Reimbursement of selling and marketing expenses	3,718	2,653
Settlement and bank charges	203	768
Securities and transaction cost	1	-
Rating Fee	97	9
Annual listing fee	7	7
Auditors' remuneration	210	204
Legal and professional charges	100	129
Printing and other charges	13	9
Reversal of provision in respect of non-performing investment	-	(510)
<b>Total expenses</b>	<b>11,416</b>	<b>6,560</b>
	<b>60,362</b>	<b>24,164</b>
Reversal of provision against Sindh Workers' Welfare Fund	-	9,160
<b>Net income for the period before taxation</b>	<b>60,362</b>	<b>33,324</b>
Taxation	-	-
<b>Net income for the period after taxation</b>	<b>60,362</b>	<b>33,324</b>
<b>Allocation of Net income for the period:</b>		
Net income for the period after taxation	60,362	33,324
Income already paid on units redeemed	(2,621)	(1,079)
	<b>57,741</b>	<b>32,245</b>
-Relating to capital gains	63	-
-Excluding capital gains	<b>57,678</b>	<b>32,245</b>
Accounting Income available for Distribution	<b>57,741</b>	<b>32,245</b>

The annexed notes 1 to 13 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 ----- (Rupees in '000) -----	September 30 2021 -----
Net income for the year after taxation	60,362	33,324
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>60,362</b>	<b>33,324</b>

The annexed notes 1 to 13 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					
	2022			2021		
	Value	Undistributed income	Total	Value	Undistributed income	Total
(Rupees in '000)						
Net assets at beginning of the year	1,719,315	9,040	1,728,355	1,526,730	5,275	1,532,005
Issuance of 47,602,900 units (2021: 24,520,169 units)						
- Capital value	468,104	-	468,105	240,484	-	240,485
- Element of income	8,550	-	8,550	4,168	-	4,168
Total proceeds on issuance of units	476,654	-	476,655	244,652	-	244,653
Redemption of 25,254,216 units (2021: 32,153,054 units)						
- Capital value	(248,337)	-	(248,337)	(315,344)	-	(315,344)
- Element of loss	(1,685)	(2,621)	(4,306)	(3,732)	(1,079)	(4,811)
Total payments on redemption of units	(250,022)	(2,621)	(252,643)	(319,076)	(1,079)	(320,155)
Total comprehensive income for the period	-	60,362	60,362	-	33,324	33,324
<b>Net assets at end of the period</b>	<b>1,945,947</b>	<b>66,781</b>	<b>2,012,729</b>	<b>1,452,306</b>	<b>37,520</b>	<b>1,489,827</b>
Undistributed loss brought forward						
- Realised		9,040			5,275	
- Unrealised		-			-	
		9,040			5,275	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		57,741			32,245	
		57,741			32,245	
Undistributed income carried forward		66,781			37,520	
Undistributed income carried forward						
- Realised		66,725			37,519	
- Unrealised		56			1	
		66,781			37,520	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		9.8335			9.8076	
Net assets value per unit at end of the period		10.1596			10.0276	

The annexed notes 1 to 13 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	September 30
	2022	2021
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	60,362	33,324
<b>Adjustments for non-cash charges and other items:</b>		
Net unrealised (appreciation) in fair value of investments classified as 'at fair value through profit or loss'	(56)	(1)
Reversal of provision against Sindh Workers' Welfare Fund	-	(9,160)
	<b>60,306</b>	<b>24,163</b>
<b>(Decrease) in assets</b>		
Investments	(1,144,263)	(419,067)
Profit receivable	6,519	(626)
Receivable against margin trading system	(88,607)	(75,856)
Deposits, prepayments and other receivables	(184)	(217)
	<b>(1,226,535)</b>	<b>(495,766)</b>
<b>(Increase) in liabilities</b>		
Payable to Management Company	2,558	434
Payable to the Central Depository Company of Pakistan Limited - Trustee	29	2
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(209)	(236)
Payable against purchase of investments	-	298,005
Accrued expenses and other liabilities	(3,832)	(5,361)
	<b>(1,454)</b>	<b>292,844</b>
<b>Net cash (used in) operating activities</b>	<b>(1,167,683)</b>	<b>(178,759)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	476,655	244,653
Payments on redemption of units	(251,361)	(297,522)
<b>Net cash generated from / (used in) financing activities</b>	<b>225,294</b>	<b>(52,869)</b>
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(942,389)</b>	<b>(231,628)</b>
Cash and cash equivalents at beginning of the period	1,651,129	1,439,201
<b>Cash and cash equivalents at end of the period</b>	<b>708,740</b>	<b>1,207,573</b>

The annexed notes 1 to 13 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 Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited, as the 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 14 December 2007 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company by the SECP 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 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund, categorised as an income scheme as per the criteria for categorisation of open end collective investment scheme as specified by the Securities and Exchange Commission of Pakistan (SECP) and the Fund 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 investment objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (2021: AM1) on June 22, 2022. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has updated the stability rating of the Fund at "A+(f)" (2021: "A(f)" on October 18, 2021) dated April 19, 2022.

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

The Fund also provides accidental death (free), life insurance / life takaful and health coverage to unit holders of the Fund as stated in the Offering Document.

The cost of premium is borne by the investor (where applicable). Such premium cost is deducted from the unit holder's investment on a monthly basis in case of life insurance and annual basis in case of health insurance and deposited with the Insurance Company / Takaful Operator by the Management Company as per the terms and conditions of the Insurance / Takaful coverage defined in the Insurance / Takaful policy document signed between the Insurance Company / Takaful Operator and Management Company.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 18, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

### 2 STATEMENT OF COMPLIANCE

**2.1** 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.

		(Unaudited) 30 September 2022 (Rupees in '000)	(Audited) 30 June 2022
<b>4</b>	<b>BANK BALANCES</b>	<b>Note</b>	
	In current accounts		-
	In savings accounts	4.1	1,651,129
			<u>708,740</u>
			<u>708,740</u>

- 4.1** These saving accounts carry mark-up at rates ranging from 14.5% to 17.25% per annum (June 2022: 12.25% to 15.25% per annum).





		Un-audited September 30, 2022	Audited June 30, 2022
	Note	(Rupees in '000)	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Term finance certificates - unlisted	5.1	-	-
Corpoarete Sukuk Certificate	5.2	45,000	-
Government Securities	5.3	996,835	-
Letter of Placement	5.4	100,000	-
Commercial paper	5.5	74,784	72,300
		<b>1,216,619</b>	<b>72,300</b>

## 5.1 Term finance certificates and sukuk bonds

### 5.1.1 Term finance certificates - At fair value through profit or loss

Name of the investee company	Number of certificates				Market value as at September 30, 2022 (Rs in '000)	Investment as a percentage of		
	As at July 1, 2022	Purchases during the period	Sales during the period	As at September 30, 2022		Net assets	Market value of total investments	Issue size
<b>Term finance certificates - listed</b>								
Saudi Pak Leasing Company Limited (5.1.3)	15,000	-	-	15,000	-	-	-	-
Worldcall Telecom Limited (5.1.4)	14,000	-	-	14,000	-	-	-	-
				<b>29,000</b>	-	-	-	-
<b>Term finance certificates - unlisted</b>								
Agriotech Limited II (note 5.1.5)	30,000	-	-	30,000	-	-	-	-
Agriotech Limited V (note 5.1.6)	4,436	-	-	4,436	-	-	-	-
				<b>34,436</b>	-	-	-	-
				<b>63,436</b>	-	-	-	-
<b>Carrying cost of investments as at September 30, 2022</b>					<b>234,892</b>			
<b>Accumulated Impairment</b>					<b>234,892</b>			

5.1.2 All term finance certificates and sukuk bonds have a face value of Rs 5,000 each.

5.1.3 This represents investment in listed term finance certificates with original term of five years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its terms on December 26, 2011 with new maturity in March 2017. During the year, the investee company again defaulted on its obligation on account of principal and profit payment. 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.

5.1.4 This represents investment in listed term finance certificates of Worldcall Telecom Ltd. On April 07, 2012, the investee company defaulted on its obligation on account of principal and profit payment. The amount of provision required as per SECP circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

5.1.5 This represents investment in privately placed unlisted term finance certificates with a term of seven years. On July 14, 2010 the investee company defaulted on its obligation on account of principal and profit payment. The amount of provision as per circular 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.



- 5.1.6** This represents investment in privately placed term finance certificates of Agritech V received against due markup of Agritech I. The management has classified these PPTFC's as non-performing. The amount of provision as per circular 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

## 5.2 Sukuk bonds - At fair value through profit or loss

Name of the investee company	Number of certificates / bonds				Market value as at September 30, 2022 (Rs in'000)	Investment as a percentage		
	As at July 1, 2022	Purchases during the period	Sales during the period	As at September 30, 2022		Net assets	Market value of total investments	Issue size
Sukuk bonds - unlisted								
New Allied Electronics Industries (Private) Limited (note 5.2.1)	10,000	-	-	10,000	-	-	-	-
Eden Housing Limited (note 5.2.2)	20,000	-	-	20,000	-	-	-	-
K-Electric Sukuk -6 (10-Aug-2022 to 10-Feb-2023) Face value of Rs.1,000,000 per certificate)	-	45	-	45	45,000	0.02	0.04	0.01
				30,045	45,000	0.02	0.04	0.01
Carrying cost of investments as at September 30, 2022					113,742			
Accumulated Impairment					68,742			

- 5.2.1** This represents investment in privately placed sukuks with a term of five years. On December 3, 2008, the investee company had defaulted on its obligation on account of profit repayment. The amount of provision as per circular 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

- 5.2.2** This represents investment in privately placed sukuks with a term of 12 years. On 06 May 2011, the investee company defaulted its principal and profit payment and therefore it was classified as non performing asset by MUFAP. 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 circulars.

## 5.3 Government securities - Market Treasury Bills

Issue Date	Tenor	Face Value				Market value as at September 30, 2022 (Rs. in "000")	Investment as a percentage of	
		As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at September 30, 2022		Net assets	Market value of total investments
<b><u>Market Treasury Bills</u></b>								
16 June 2022	3 months	-	1,000,000	1,000,000	-	-	-	-
30 June 2022	3 months		1,000,000	1,000,000	-	-	-	-
14 July 2022	3 months		1,000,000	100,000	900,000	898,176	0.45	0.74
11 August 2022	3 months		100,000	-	100,000	98,659	0.05	0.08
						<b>996,835</b>		
<b>Carrying cost of investments as at September 30, 2022</b>						<b>996,779</b>		

- 5.4** This represents the purchase letter of placement (LOP) Pak-Libya Holding Company (Pvt.) Limited on September 16, 2022 (having face value of Rs. 100 million). These carries profit at the rate of 16% per annum and will mature on December 22, 2022.

- 5.5 This represents the purchase of commercial paper from China Power Hub Company (Pvt.) Limited on April 12, 2022 (having face value of Rs. 75 million). These carries profit at the rate of 13.2% per annum and will mature on October 09, 2022.

## 6 Contingencies and commitments

There were no contingencies and commitments outstanding 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 0.8% per annum of the net assets of the Fund.

## 8 Taxation

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

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

## 9 Total Expense Ratio

The annualised total expense ratio (TER) of the Fund based on the current period is 2.46% (September 30, 2021: 1.73%) which includes 0.18% (September 30, 2021: 0.10%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Income scheme".

## 10 DETAILS OF NON-COMPLIANT INVESTMENTS

The SECP vide Circular no. 7 of 2009 dated March 6, 2009, required all asset management companies to categorise funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

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.

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
Investment in Debe Securities	New Allied Electronics (Pvt) Ltd II	49,054	49,054	-	-	-
	Agritech Limited II	149,876	149,876	-	-	-
	Agritech Limited V	22,180	22,180	-	-	-
	Eden Housing Ltd.	19,688	19,688	-	-	-
	Saudi Pak Leasing Co.	41,321	41,321	-	-	-
	Worldcall Telecom Limited.	21,516	21,516	-	-	-
		303,635	303,635	-	-	-

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

## **11 TRANSACTIONS WITH CONNECTED PERSONS**

- 11.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

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

- 11.4** 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
	(Rupees in '000)	
<b>11.5 Details of the transactions with connected persons are as follows:</b>		
<b>NBP Fund Management Limited - Management company</b>		
Remuneration of NBP Fund Management Limited - the Management Company	5,309	2,142
Sindh Sales Tax on remuneration of the Management Company	690	278
Sale load and transfer load during the period	1,156	99
Sale tax on sale load and transfer load	150	13
Reimbursement of operational expenses to the Management Company	581	474
Reimbursement of selling and marketing expenses	3,718	2,653
ADC chargers including Sindh sale tax	91	-
<b>Central Depository Company of Pakistan - Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	349	284
Sindh Sales Tax on remuneration of the Trustee	45	37
<b>Employees of Management Company</b>		
Units Issued / Trasferred In 590,718 units (2021: 3,220 units)	5,931	32
Units Redeemed / Transferred Out 1,457,282 units (2021: 11,512 unit)	14,489	114
<b>Portfolio managed by the Management Company</b>		
Units Issued / Trasferred In 285,728 units (2021: Nil units)	2,851	-
<b>Bankislami Pakistan Limited (Common Directorship)</b>		
Bank profit	168	-
<b>National Clearing Company of Pakistan (Common Directorship)</b>		
NCCPL Charges	141	55
<b>K.T.H CP Fund (M.T.I)</b>		
Units Issued / Trasferred In 3,997,654 units (2021: Nil units)	39,899	-
Units Redeemed / Transferred Out 46,426 units (2021: Nil units)	465	-
<b>K-Electric (Common Directorship)</b>		
Purchase of K-electric sukuk	45,000	-
Income on sukuk certificates	1,105	-



	Un-audited As at September 30, 2022	Audited As at June 30, 2022
<b>11.6 Amounts outstanding as at period / year end</b>	<b>(Rupees in '000)</b>	
<b>NBP Fund Management Limited - Management company</b>		
Remuneration of the Management Company	1,854	1,458
Sindh Sales Tax on remuneration of the Management Company	241	190
Reimbursement of allocated expenses payable	581	483
Reimbursement of selling and marketing expenses payable	3,718	3,091
Sales and transfer load payable	1,524	359
Sindh Sales Tax on sales and transfer load	198	48
Federal Excise Duty on remuneration of the Management Company	2,808	2,808
ADC charges payable including Sindh Sales tax	116	45
<b>Central Depository Company of Pakistan - Trustee</b>		
Remuneration payable	121	95
Sindh Sales Tax on remuneration of the trustee	15	12
Security deposit	100	100
CDC Charges	43	27
<b>Employees of the Management Company</b>		
Investment held in the fund 118,115 units (June 30, 2022 : 1,054,679 units)	1,911	10,371
<b>Bankislami Pakistan Limited</b>		
Bank balance	5,495	7,364
Profit receivable on bank balance	9	85
<b>National Clearing Company of Pakistan</b>		
Security deposit	250	250
Settlement charges payable	43	-
<b>Khushhali Microfinance Bank Limited (Common Directorship)**</b>		
Bank balance	143,608	2,682
Profit receivable on bank balance	1,509	412
<b>Telenor Microfinance Bank Limited (Common Directorship)**</b>		
Bank balance	6	6
Profit receivable on bank balance	17	18
<b>Fauji Fertilizer Company Limited (Common Directorship)</b>		
Investment held in the Fund 37 units; (June 30, 2022: 37 units)	-	-
<b>NBP Employees Pension Fund</b>		
Investment held in the Fund 87,369,695 units; (June 30, 2022: 87,369,695 units)	887,641	859,150
<b>K.T.H CP Fund (M.T.I) - 10% holding or more of the units</b>		
United held: 32,889,112 units (June 30, 2022: 28,937,884 units)	334,140	284,261
<b>Portfolio managed by the Management Company</b>		
Units held in the fund: 1,011,455 units (2022: 725,726 units)	10,276	7,136
<b>National Bank of Pakistan - (parent of the Management Company)</b>		
Bank balance	89	216
<b>K-Electric (Common Directorship)</b>		
Investment in Sukuk Certificate	45,000	-
Profit receivable on Sukuk Certificate	1,105	-



## 12 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.

## 13 GENERAL

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

13.2 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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