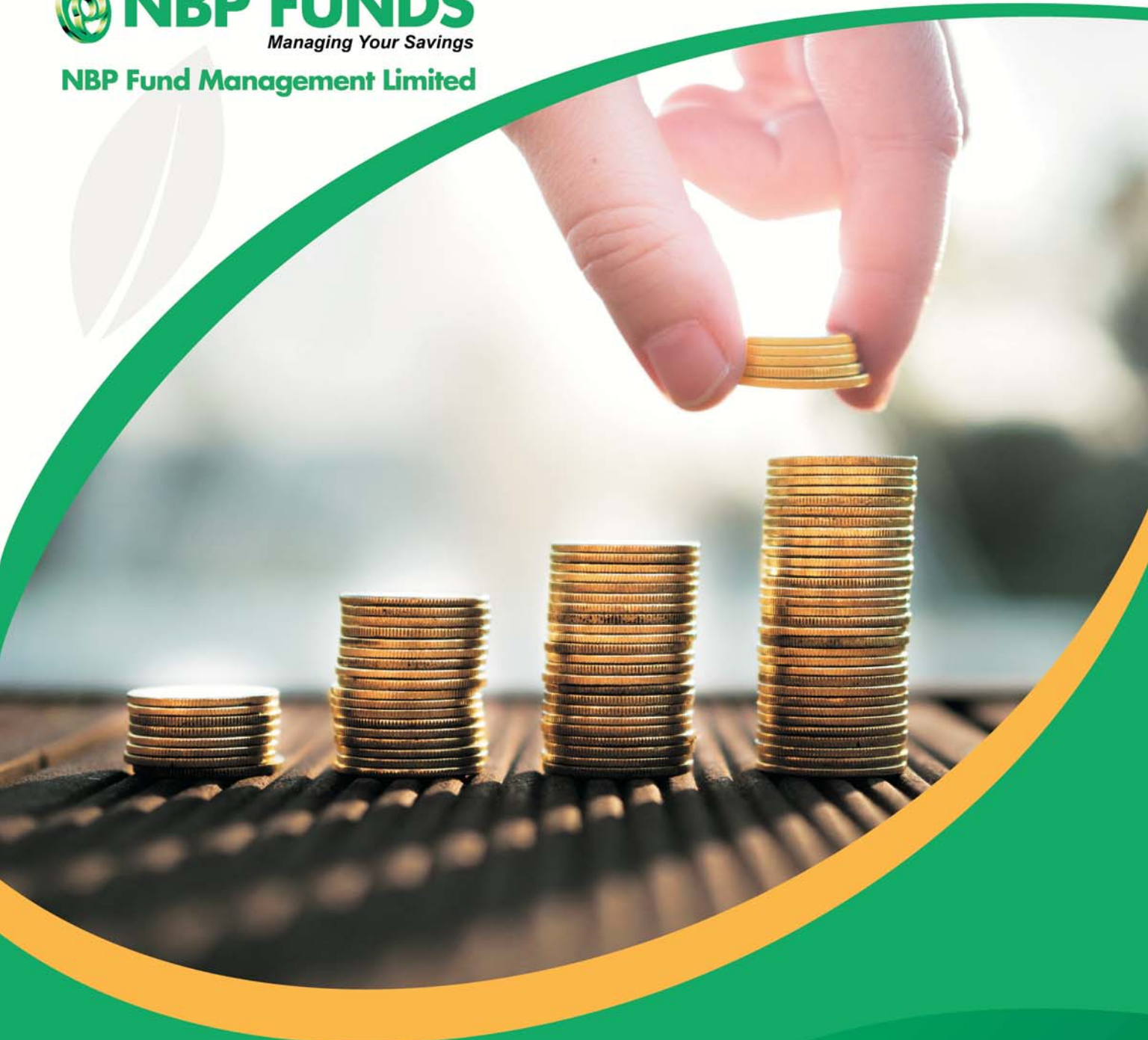




*Managing Your Savings*

**NBP Fund Management Limited**



# **NBP BALANCED FUND**

**HALF YEARLY** REPORT  
DECEMBER 31, 2022

**AM1**  
Rated by PACRA

# MISSION STATEMENT

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

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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

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

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
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. Khalid Mansoor	Member

### Trustee

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

### Bankers to the Fund

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

## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 021 (111-111-632),  
(Toll Free): 0800-20002,  
Fax: (021) 35825329  
Website: [www.nbpfunds.com](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  
Fax: 051-4859031

## **Peshawar Office:**

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

## **Multan Office:**

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

## DIRECTORS' REPORT

The Board of Directors of **NBP Fund Management Limited** is pleased to present the unaudited condensed interim financial statements of **NBP Balanced Fund (NBF)** for the half year ended December 31, 2022.

### Fund's Performance

During 1HFY23, the equity market performance remained lackluster, as the benchmark KSE-100 Index fell by 1,120 points, translating into a modest decline of 2.7% for the period. During the period, the market remained jittery and the Index exhibited large swings on both sides driven by the news-flow.

Although the listed corporate space announced strong set of pre-tax results for June and Sept period, stock market performance remained muted due to frail investor confidence. Although current account was brought under control as current account deficit (CAD) stood at merely USD 3.7 bn down from USD 9.1 bn a year ago, the burgeoning foreign debt repayments took a toll on external account. Since IMF program faced delays & external inflows dried up significantly; the SBP's FX reserves nose-dived from USD 9.8 bn to USD 5.6 bn on account of contractual loan repayments. Amid dwindling reserves, PKR continued to depreciate, as it fell by PKR 21.6 to settle at 226.43 (drop of 10.5%), which also dented sentiments. Unprecedented rains led to flash floods in the country, that resulted in massive devastation with an estimated economic loss of around USD 30 billion. It further worsened economic outlook, as GDP estimates were trimmed down to 2% from 3-4% and inflation expectations were also revised upwards by the central bank. Inflation which was already on an ascent due to commodity upcycle, further ratcheted up as acute supply disruptions & shortages added further pressure on prices. Average inflation clocked in at around 25% which was at multi-decade high level which prompted the central bank to further raise Policy Rates by 225 basis points during the period. Political uncertainty also remained elevated during the period, due to announcement of long march by PTI during which a failed assassination attempt was made on PTI chief. Furthermore, indications were made to dissolve provincial assemblies where PTI was in power, which further amplified political noise and stirred uncertainty.

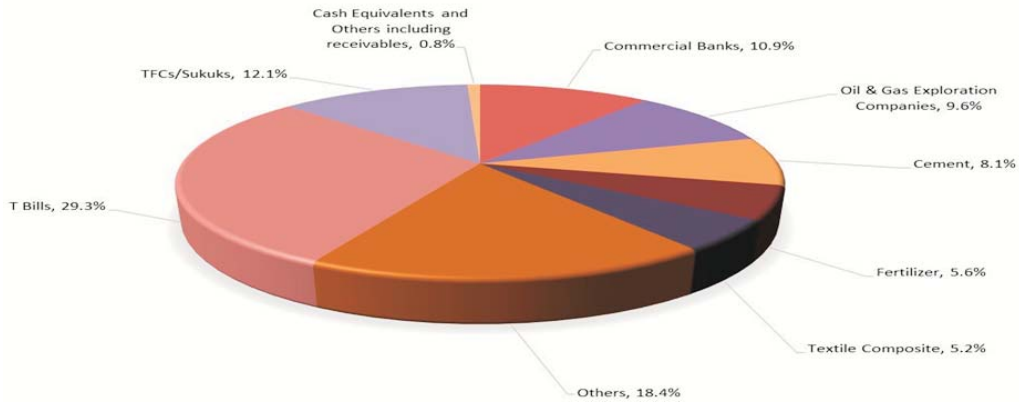
In terms of sector wise performance, Cements, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, Power Generation & Distribution, Sugar & Allied Industries, Technology & Communication, and Transport sectors outperformed the market. On the other hand, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Chemicals, Engineering, Food & Personal Care, Glass & Ceramics, Paper & Board, Pharmaceutical, Refinery & Textile Composite sectors lagged the market. On participants-wise market activity, Banks/DFIs and Individual emerged the largest net buyers with inflows of around USD 50 million and USD 48 million, respectively. On the contrary, Mutual Funds & Insurance lowered their net holdings by around USD 64 million and USD 63 million, respectively.

During 1HFY23, Monetary Policy Committee (MPC) held four meetings and raised the policy rate by 225 basis points to 16%, with a view to anchor the inflationary pressures, achieve price stability - ensuring economic sustainability and ease pressure on currency. However, inflation expectations have been raised in anticipation of tough measures that may follow post re-entry into an IMF Program. According to SBP, inflation being driven by global & domestic supply shocks is raising input costs, could de-anchor inflation expectations and undermine (medium-short term) growth. Despite the administrative contraction in the current account deficit, external account management still looks challenging whereas these measures have also created supply-chain bottlenecks. Also, the production cuts by firms due to supply constraints have resulted in decline in LSM growth. The lack of fresh financial inflows and ongoing debt repayments have led to a continuous drawdown in official reserves. The net liquid foreign exchange reserves with SBP were recorded at USD 5.6 billion in December 2022 (depleting by USD 4.2 billion in the 1HFY23), posing challenges and risks to the financial stability and fiscal consolidation.

The SBP held thirteen T-Bill auctions, realizing Rs. 19.1 trillion against a target of Rs. 10.8 trillion and maturity of Rs. 10.7 trillion. The T-Bills yields increased by 1.7%, 1.8% and 1.7% for 3-month, 6-month and 12-month tenures, respectively. This uptick in short-term sovereign yields is primarily reflective of increase in policy rates. The market participants constricted in the shorter tenors due to the political noise coupled with global shocks and uncertainty of monetary easing. In the last auction for the half-year ended, cut-off yields on T-Bill for 3-month, 6-month, and 12-month tenures were noted at 16.99%, 16.83% and 16.85%, respectively.

The size of NBP Balanced Fund has decreased from Rs. 819 million to Rs. 788 million during the period, i.e., a decrease of 4%. During the period, the unit price of NBP Balanced Fund (NBF) has decreased from Rs. 18.1367 on June 30, 2022 to Rs. 17.9436 on December 31, 2022, thus showing a decrease of 1.1%. The Benchmark increase during the same period was 2.8%. Thus, the Fund has underperformed its Benchmark by 3.9% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.4582 (Ex-Div) on January 19, 2007 to Rs. 17.9436 on December 31, 2022, thus showing an increase of 418.9%. During the said period, the Benchmark increased by 236.4%, translating into outperformance of 182.5%. This performance is net of management fee and all other expenses

NBP Balanced Fund earned a total income of Rs. 11.65 million during the period. After deducting total expenses of Rs. 20.03 million, the net loss is Rs. 8.38 million. The asset allocation of the Fund as on December 31, 2022 is as follows:



## NBF Performance versus Benchmark



## Acknowledgement

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

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

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

**Chief Executive Officer**

**Director**

Date: February 21, 2023  
 Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لئے NBP: بلینڈ فنڈ (NBF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

مالی سال 2023 کی پہلی ششماہی کے دوران ایکویٹی مارکیٹ کی کارکردگی سُست رہی، جیسا کہ بیچ مارک KSE-100 انڈیکس میں 1,120 پوائنٹس کمی واقع ہوئی، جس کے نتیجے میں اسی مدت کے لیے 2.7 فیصد کمی معمولی کمی واقع ہوئی۔ مدت کے دوران، مارکیٹ اتار چڑھاؤ کا شکار رہی اور انڈیکس خبروں کے باعث دونوں اطراف میں ہی گھومتا رہا۔

اگرچہ لٹڈ کارپوریشن نے جون اور ستمبر کی مدت کے لیے قبل از بیکس مستحکم نتائج کا اعلان کیا، لیکن سرمایہ کاروں کے کمزور اعتماد کی وجہ سے اسٹاک مارکیٹ کی کارکردگی ساکن رہی۔ اگرچہ کرنٹ اکاؤنٹ کو کنٹرول کر لیا گیا کیونکہ کرنٹ اکاؤنٹ خسارہ (CAD) ایک سال پہلے 9.1 بلین امریکی ڈالر سے کم ہو کر محض 3.7 بلین امریکی ڈالر رہ گیا، غیر ملکی قرضوں کی بڑھتی ہوئی ادائیگیوں نے بیرونی اکاؤنٹ پر اثر ڈالا۔ چونکہ آئی ایم ایف پروگرام کو تاخیر کا سامنا کرنا پڑا اور بیرونی قوم کی آمدن مایاں طور پر کم ہو گئیں۔ معاہدے کے تحت قرض کی ادائیگیوں کی وجہ سے اسٹیٹ بینک پاکستان کے FX ذخائر 9.8 بلین امریکی ڈالر سے کم ہو کر 5.6 بلین امریکی ڈالر تک رہ گئے۔ کم ہوتے ذخائر کے ساتھ ساتھ، پاکستانی روپیہ مسلسل گرتا رہا، اور 21.6 پاکستانی روپیہ سے گزر کر 226.43 (10.5 فیصد کمی) پر آ گیا، جس سے معاشی جذبات کو بھی نقصان پہنچا۔ غیر معمولی بارشوں کی وجہ سے ملک میں سیلاب آیا، جس کے نتیجے میں بڑے پیمانے پر تباہی ہوئی اور تقریباً 30 بلین امریکی ڈالر کا اقتصادی نقصان ہوا۔ اس نے معاشی نقطہ نظر کو مزید خراب کر دیا، کیونکہ GDP کے تخمینے کو 3-4 فیصد سے کم کر کے 2 فیصد کر دیا گیا تھا اور مرکزی بینک کی طرف سے افراط زر کی توقعات پر بھی نظر ثانی کی گئی۔ مہنگائی جو کہ اجناس کی قیمتوں میں اضافے کی وجہ سے پہلے ہی عروج پر تھی، سپلائی میں شدید رکاوٹ اور قلت کی وجہ سے قیمتوں پر مزید بڑا بڑھ گیا۔ اوسط مہنگائی تقریباً 25 فیصد تک پہنچ گئی جو کہ دہائیوں کی بلند ترین سطح پر تھی جس نے مرکزی بینک کو اس مدت کے دوران پالیسی ریٹ میں مزید 225 ہیسر پوائنٹس کا اضافہ کرنے پر مجبور کر دیا۔ پی ٹی آئی کی جانب سے لانگ مارچ کے اعلان جس میں پی ٹی آئی کے سربراہ پر تاحلانہ حملے کی ناکام کوشش کی گئی، اس عرصے کے دوران سیاسی بے یقینی بھی برقرار رہی۔ مزید برآں، ان صوبائی اسمبلیوں کو تحلیل کرنے کے اشارے دیے گئے جہاں پی ٹی آئی کی حکومت تھی، جس نے سیاسی گہما گہمی کو مزید بڑھا دیا اور غیر یقینی صورتحال کو جنم دیا۔

سیکٹر وار کارکردگی کے لحاظ سے سیمینٹس، آئل اینڈ گیس ایکسپلوریشن کمپنیاں، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پاور جنریشن اور ڈسٹری بیوشن، شوگر اینڈ الائیڈ انڈسٹریز، بیکنگ اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب آٹو اسمبلرز، آٹو پارٹس اینڈ ایسیریز، کیبل اینڈ الیکٹریکل اشیا، کمپیوٹرز، خوردگی اور ذاتی نگہداشت، گلاس اینڈ سٹریکس، بیہیو اینڈ بورڈ، فارمیسیٹیکل، ریفرنسری اور نیکیٹا کپوزٹ کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر بینکس / DFIs اور انفرادی سرمایہ کار بالترتیب 50 بلین امریکی ڈالر اور 48 بلین امریکی ڈالر کی آمد کے ساتھ سب بڑے خالص خریدار رہے۔ اس کے برعکس، بیویچل فنڈز اور انشورنس نے اپنی خالص ہولڈنگز کو بالترتیب 64 بلین امریکی ڈالر اور 63 بلین امریکی ڈالر سے کم کیا۔

مالی سال 23 کی پہلی ششماہی کے دوران، مانیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد ہوئے اور افراط زر کے دباؤ کو قابو کرنے، قیمتوں کا استحکام حاصل کرنے، اقتصادی استحکام کو یقینی بنانے اور کرنسی پر دباؤ کو کم کرنے کے مقصد سے پالیسی شرح کو 225 ہیسر پوائنٹس سے بڑھا کر 16 فیصد کر دیا گیا۔ تاہم IMF پروگرام میں دوبارہ داخلہ کے باعث متوقع سخت اقدامات کے باعث افراط زر کی توقعات میں مزید اضافہ ہو گیا۔ SBP کے مطابق، عالمی اور ملکی فراہمی کے خطرات کی وجہ سے مہنگائی پیداواری اخراجات کو بڑھا رہی ہے، جو افراط زر کی توقعات کو کم اور (درمیانی مختصر مدت) نمو کو کمزور کر سکتی ہے۔

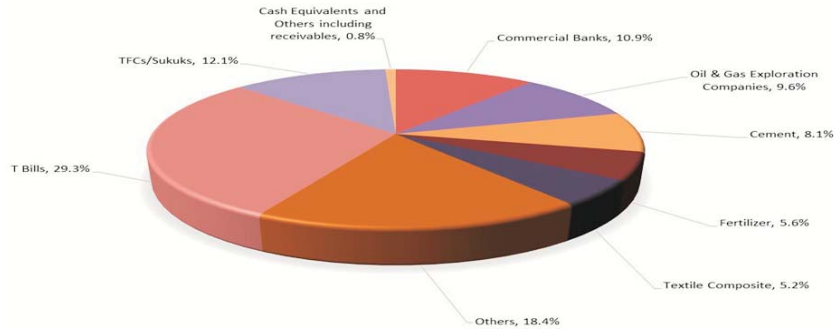
کرنٹ اکاؤنٹ خسارہ میں انتظامی سکتاؤ کے باعث بیرونی کھاتوں کا انتظام اب بھی چیلنجنگ نظر آتا ہے جبکہ ان اقدامات نے سپلائی چین میں رکاوٹیں بھی پیدا کی ہیں۔ نیز سپلائی کی ان رکاوٹوں کی وجہ سے فرمز کی طرف سے پیداوار میں کمی کے نتیجے میں LSM کی نمو میں کمی واقع ہوئی ہے۔ فریش مالی قوم کی اور قرضوں کی جاری ادائیگیاں سرکاری ذخائر میں مسلسل کمی کا باعث بنی۔ دسمبر 2022 میں اسٹیٹ بینک نے خالص غیر ملکی زرمبادلہ کے ذخائر 5.6 بلین امریکی ڈالر کا رکھ کر 4.2 بلین امریکی ڈالر کی کمی، جو مالی اور مالیاتی استحکام کے لیے چیلنج اور خطرات پیدا کر رہے ہیں۔

SBP نے ٹی بی ایل کی تیرہ نیلامیوں کا انعقاد کیا، جس سے 10.8 ٹریلین روپے بده اور 10.7 ٹریلین روپے بچھوڑنے کے باعث کل 19.1 ٹریلین روپے کی وصولی ہوئی۔ ٹی بی ایل کی شرح منافع میں 6 ماہ، 6 ماہ اور 12 ماہ کے لئے بالترتیب 1.7 فیصد، 1.8 فیصد اور 1.7 فیصد تک اضافہ ہوا۔ مختصر مدتی سوریج منافع میں یہ اضافہ بنیادی طور پر پالیسی ریٹس میں اضافے کی عکاسی ہے۔ مارکیٹ شرکاء عالمی خطرات اور مانیٹری آسانی کی غیر یقینی کے ساتھ ساتھ سیاسی گہما گہمی کی وجہ سے مختصر مدتوں تک محدود رہے۔ ختم ہونے والی ششماہی کی آخری نیلامی میں، 3 ماہ، 6 ماہ اور 12 ماہ کے لئے ٹی بی ایل پر کٹ آف شرح منافع بالترتیب 16.99 فیصد، 16.83 فیصد اور 16.85 فیصد درج کیا گیا۔



موجودہ مدت کے دوران NBP-بیلنسڈ فنڈ (NBF) کا سائز 819 ملین روپے سے کم ہو کر 788 ملین روپے ہو گیا، یعنی 4% کی کمی ہوئی۔ اس مدت کے دوران NBP-بیلنسڈ فنڈ (NBF) کے پونٹ کی قیمت 30 جون 2022 کو 18.1367 روپے سے کم ہو کر 31 دسمبر 2022 کو 17.9436 روپے ہو گئی۔ لہذا 1.1% کی کمی دیکھنے میں آئی۔ اسی مدت کے دوران بیچ مارک بڑھ کر 2.8% ہو گیا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 13.9% اہتر کارکردگی دکھائی۔ اپنے قیام سے اب تک فنڈ کی NAV 19 جنوری 2007 کو 3.4582 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2022 کو 17.9436 روپے ہو گئی، لہذا 418.9% کا اضافہ ہوا۔ اس مدت کے دوران بیچ مارک میں 236.4% اضافہ ہوا۔ جس کا نتیجہ فنڈ کی 182.5% بہتر کارکردگی کی صورت میں سامنے آیا ہے۔ فنڈ کی یہ کارکردگی بیچ مارک سے زیادہ ہے اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP بیلنسڈ فنڈ کو موجودہ مدت کے دوران 11.65 ملین روپے کی کل آمدنی ہوئی۔ 20.03 ملین روپے کے کل اخراجات متہا کرنے کے بعد خالص نقصان 8.38 ملین روپے ہے۔ 31 دسمبر 2022 کے مطابق فنڈ کی ایسٹ ایلویشن حسب ذیل ہے:



NBF کی کارکردگی بمقابلہ بیچ مارک (اپنے قیام سے)



اظہار شکر

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

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

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ بیچ مارک لیمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 21 فروری 2023ء

مقام: کراچی

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Balanced Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 27, 2023

## INDEPENDENT AUDITORS' REVIEW ON INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Balanced Fund** (the Fund) as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement and notes to the financial statements for the half year then ended (here-in-after referred to as the interim financial statements). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of the interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matters

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three months' period ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2022.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Shaukat Naseeb**.

**Grant Thornton Anjum Rahman**

Chartered Accountants

Date: February 21, 2023

Karachi

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2022

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>ASSETS</b>	<b>Note</b>	------(Rupees in '000)-----	
Bank balances	5	26,316	177,792
Investments	6	782,272	657,233
Dividend and profit receivables	7	3,136	5,191
Advance, deposits and prepayments	8	3,746	3,891
<b>Total assets</b>		<b>815,470</b>	<b>844,107</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - Management Company	9	5,347	5,242
Payable to Central Depository Company of Pakistan Limited - Trustee	10	156	156
Payable to Securities and Exchange Commission of Pakistan	11	82	238
Payable against purchase of Investment		-	5,375
Payable against redemption of units		-	5
Accrued expenses and other liabilities	12	21,435	14,267
<b>Total liabilities</b>		<b>27,020</b>	<b>25,283</b>
<b>NET ASSETS</b>		<b>788,450</b>	<b>818,824</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>788,450</b>	<b>818,824</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>43,940,507</b>	<b>45,147,265</b>
		(Rupees)	
<b>NET ASSETS VALUE PER UNIT</b>		<b>17.9436</b>	<b>18.1367</b>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2022	2021	2022	2021
----- (Rupees in '000) -----					
<b>INCOME</b>					
(Loss)/gain on sale of investments - net		3,761	(40,717)	3,736	(39,620)
Profit on bank deposits		4,303	5,103	1,837	1,849
Income from term finance certificate and sukuks		7,112	7,672	2,610	3,956
Discount Income on treasury bills		14,472	8,054	9,417	4,253
Dividend income		18,900	39,014	10,437	23,242
Unrealised (loss)/appreciation on re-measurement of investments 'at fair value through profit or loss' - net	6.6	(36,901)	(19,462)	(28,422)	37,718
<b>Total (Loss)/ Income</b>		<b>11,647</b>	<b>(336)</b>	<b>(385)</b>	<b>31,398</b>
<b>EXPENSES</b>					
Remuneration of NBP Fund Management Limited - Management Company	9.1	10,292	11,259	5,122	5,166
Sindh Sales Tax on remuneration of Management Company		1,338	1,464	666	672
Remuneration of Central Depository Company of Pakistan Limited - Sindh Sales Tax on remuneration of Trustee	10.1	824	1,247	410	589
		106	162	52	76
Rembursement of Allocated expenses	9.2	824	1,446	410	689
Reimbursement of Selling & Marketing Expenses	9.3	5,352	13,393	2,664	6,199
Annual Fee - Securities and Exchange Commission of Pakistan	11	82	150	41	69
Annual listing fee		14	14	7	7
Securities transaction costs		175	989	97	811
Settlement and bank charges		186	190	93	15
Auditors' remuneration		579	280	359	165
Legal and professional charges		75	251	37	206
Mutual fund rating fee		159	133	79	66
Printing and other charges		22	23	11	12
<b>Total expenses</b>		<b>20,028</b>	<b>31,001</b>	<b>10,049</b>	<b>14,742</b>
<b>Net (loss)/profit from operating activities</b>		<b>(8,381)</b>	<b>(31,337)</b>	<b>(10,434)</b>	<b>16,656</b>
Reversal/(provision) for Sindh Workers' Welfare Fund	12.1	-	19,666	-	-
<b>Net (loss)/profit for the period before taxation</b>		<b>(8,381)</b>	<b>(11,671)</b>	<b>(10,433)</b>	<b>16,656</b>
Taxation	14	-	-	-	-
<b>Net (loss)/ profit for the period</b>		<b>(8,381)</b>	<b>(11,671)</b>	<b>(10,433)</b>	<b>16,656</b>
<b>Allocation of net income for the period</b>					
Net income for the period		-	-	-	-
Income already paid on units redeemed		-	-	-	-
<b>Accounting income available for distribution:</b>					
-Relating to capital gains		-	-	-	-
-Excluding capital gains		-	-	-	-

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net (loss)/profit for the period after taxation	(8,381)	(11,671)	(10,433)	16,656
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss)/Income for the period</b>	<b>(8,381)</b>	<b>(11,671)</b>	<b>(10,433)</b>	<b>16,656</b>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	December 31,	
	2022	2021
Note	------(Rupees in 000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss)/ profit for the period before taxation	(8,381)	(11,671)
<b>Adjustments for:</b>		
Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' - net	36,901	19,462
	<u>28,520</u>	<u>7,791</u>
<b>Working capital changes</b>		
<b>(Increase) / decrease in assets</b>		
Investments	(161,940)	422,069
Dividend and profit receivable	2,055	(404)
Advance, deposits and prepayments	145	9,356
	<u>(159,740)</u>	<u>431,021</u>
<b>Increase/(decrease) in liabilities</b>		
Payable to NBP Fund Management Limited - Management Company	105	(1,206)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(67)
Payable to Securities and Exchange Commission of Pakistan	(156)	(162)
Payable against purchase of investments	(5,375)	672
Accrued expenses and other liabilities	7,168	(22,064)
	<u>1,742</u>	<u>(22,827)</u>
<b>Net cash generated from operating activities</b>	<u>(129,478)</u>	<u>415,985</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	2,450	19,477
Payment against redemption of units	(24,448)	(708,528)
<b>Net cash (used in) financing activities</b>	<u>(21,998)</u>	<u>(689,051)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(151,476)</u>	<u>(273,066)</u>
Cash and cash equivalents at beginning of the period	177,792	403,868
<b>Cash and cash equivalents at end of the period</b>	<u>5</u> <u>26,316</u>	<u>130,802</u>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	December 31, 2022			December 31, 2021		
	Capital value	Undistributed (loss)/income	Total	Capital value	Undistributed (loss)/income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period (audited)	148,571	670,253	818,824	865,049	742,624	1,607,673
Issue of 133,083 units (2021: 985,600 units)						
- Capital value	2,414	-	2,414	19,081	-	19,081
- Element of income	36	-	36	247	-	247
Total proceeds on issuance of units	2,450	-	2,450	19,328	-	19,328
Redemption of 1,339,841 units ( 2021: 37,489,444 units)						
- Capital value	(24,300)	-	(24,300)	(725,777)	-	(725,777)
- Element of loss	(143)	-	(143)	17,331	-	17,331
Total payments on redemption of units	(24,443)	-	(24,443)	(708,446)	-	(708,446)
Total comprehensive (loss)/income for the period	-	(8,381)	(8,381)	-	(11,671)	(11,671)
<b>Net assets at end of the period (un-audited)</b>	<b>126,578</b>	<b>661,872</b>	<b>788,450</b>	<b>175,931</b>	<b>730,953</b>	<b>906,884</b>
Undistributed income brought forward						
- Realised		776,736			554,672	
- Unrealised		(106,483)			187,952	
		670,253			742,624	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Total comprehensive loss for the period		(8,381)			(11,671)	
Undistributed income carried forward		661,872			730,953	
Undistributed income carried forward						
- Realised		698,773			750,415	
- Unrealised (loss)/income		(36,901)			(19,462)	
		661,872			730,953	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		18.1367			19.3595	
Net assets value per unit at the end of the period		17.9436			19.4864	

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The NBP Balanced Fund 'the Fund' was established under a Trust Deed executed between the NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was authorised by the Securities and Exchange Commission of Pakistan (SECP) on 01 December 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).
- 1.2 The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of Mutual Fund Association of Pakistan (MUFAP).
- 1.3 The Fund is an open-ended mutual fund classified as a "balanced scheme" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The core objective of the Fund is to provide its investors with a combination of capital growth and income. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments etc.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an asset manager rating of 'AM1' to the Management Company as on 22 June 2022, a short term performance ranking of 4 star and long term performance ranking of 4 star to the fund.
- 1.6 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.
- 1.7 During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to 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 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS standards) 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 and the requirements VIIIA of the repealed Companies Ordinance, 1984; and



- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations).

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 requirements of the Trust Deed differ from the IFRS Standards, 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 requirements of the trust deed have been followed. These condensed financial statements are unaudited and are being distributed to the unit holders as required by section 227 of the Companies Act (The Act). The figures from the half year ended December 31, 2022

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. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the funds financial position and performance since the last annual financial statements.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2022.

The Fund is required at all times, meet the minimum equity requirement of Rs 100 million as per NBFC Regulations, 2008

### **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES JUDGEMENTS AND CHANGES THEREIN**

- 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 except for the adoption of any new amended standards as set out in 4 .
- 3.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumption and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumption 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 these 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 in the audited annual 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 audited annual financial statements as at and for the year ended June 30, 2022.

### **4 Standards, amendments and interpretations to the published standards that may be relevant to the Fund and adopted in the current year**

The Fund has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Fund

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

<b>New or Revised Standard or Interpretation</b>	<b>Effective Date "(Annual periods beginning on or after)"</b>
Annual improvements to IFRS standards 2018 - 2020 Cycle	January 1, 2022
IFRS 3 - References to Conceptual Framework.	January 1, 2022
IAS 16 - Proceeds before intended use.	January 1, 2022
IAS 37 - Onerous Contracts - Cost of Fulfilling a contract.	January 1, 2022

Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Fund

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

<b>Standard or Interpretation</b>	<b>Effective Date "(Annual periods beginning on or after)"</b>
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
IAS 8 - 'Definition of Accounting Estimates	January 1, 2023

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standard or Interpretation</b>	<b>IASB effective date "(Annual periods beginning on or after)"</b>
IFRS 17 'Insurance Contracts' and amendments to IFRS 17	January 1, 2023

		December, 31 2022 Unaudited	June 30, 2022 Audited
<b>5</b>	<b>BANK BALANCES</b>		
	In current accounts	169	169
	In savings accounts	26,147	177,623
		<b>26,316</b>	<b>177,792</b>

5.1 These carry a rate of return ranging from 6.50% to 16.6%( 2022: 6.50% to 16.6% ) per annum.

## 6 INVESTMENTS

### Financial assets 'at fair value through profit or loss'- (FVTPL)

- Listed equity securities	6.1	455,371	528,179
- Term finance certificates - listed	6.2	-	-
- Term finance certificates - unlisted	6.3	41,758	30,859
- Term Deposit Receipt		-	-
- Commercial Papers		-	24,100
- Sukuk bonds	6.5	53,962	74,095
- Treasury bills	6.7	231,181	-
		<b>782,272</b>	<b>657,233</b>

### 6.1 Equity securities - Listed

All shares have a nominal face value of Rs 10 each, except for shares of Thal Limited and Shabbir Tiles and Ceramics Limited which have a face value of Rs 5 and K-Electric Limited which has a face value of Rs. 3.5.

Name of the investee company	Number of shares						Market value as at December 31, 2022	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company held
	As at July 01, 2022	Purchases during the period	Bonus/Right shares received during the period	Right shares purchased/subscribed during the period	Sales during the period	As at December 31, 2022		Net assets of the Fund	Total market value of investments	
	(Number of Shares)						(Rupees in '000)	(%)		
<b>Oil &amp; Gas Exploration Companies</b>										
Oil and Gas Development Company Limited (Refer 6.1.1)	259,786	32,500	-	-	27,500	264,786	21,093	2.68	2.70	1.000%
Pakistan Oilfields Limited	15,528	550	-	-	3,585	12,493	4,908	0.62	0.63	0.000%
Pakistan Petroleum Limited (Refer 6.1.1)	251,290	24,400	-	-	2,600	273,090	18,608	2.36	2.38	1.00%
Mari Petroleum Limited	20,633	-	-	-	529	20,104	31,100	3.94	3.98	2.00%
	<b>547,237</b>	<b>57,450</b>	<b>-</b>	<b>-</b>	<b>34,214</b>	<b>570,473</b>	<b>75,709</b>	<b>9.60</b>	<b>9.69</b>	
<b>Oil &amp; Gas Marketing Companies</b>										
Pakistan State Oil Company Limited (Refer 6.1.1 & 6.1.2)	75,350	4,700	-	-	12,072	67,978	9,788	1.24	1.25	1%
Attock Petroleum Limited	14,161	-	3,105	-	8,332	8,934	2,588	0.33	0.33	1%
Hascol Petroleum Limited (Refer 6.1.2)	777	-	-	-	-	777	4	-	-	0%
	<b>90,288</b>	<b>4,700</b>	<b>3,105</b>	<b>-</b>	<b>20,404</b>	<b>77,689</b>	<b>12,381</b>	<b>1.57</b>	<b>1.58</b>	
<b>Fertilizers</b>										
Engro Fertilizers Limited	1	-	-	-	-	1	-	-	-	0%
Fauji Fertilizer Bin Qasim Limited (Refer 6.1.1)	275,000	-	-	-	75,000	200,000	3,066	0.39	0.39	2%
Engro Corporation Limited	69,319	9,300	-	-	2,400	76,219	19,970	2.53	2.55	1%
Fauji Fertilizer Company Limited (Refer 6.1.1)	184,701	40,000	-	-	8,000	216,701	21,391	2.71	2.73	2%
	<b>529,021</b>	<b>49,300</b>	<b>-</b>	<b>-</b>	<b>85,400</b>	<b>492,921</b>	<b>44,427</b>	<b>5.63</b>	<b>5.67</b>	
<b>Chemicals</b>										
Engro Polymer & Chemicals Limited (Refer 6.1.1)	213,923	12,800	-	-	73,100	153,623	6,501	0.82	0.83	2%
Lotte Chemical Pakistan Ltd	243,000	-	-	-	243,000	-	-	-	-	0%
	<b>456,923</b>	<b>12,800</b>	<b>-</b>	<b>-</b>	<b>316,100</b>	<b>153,623</b>	<b>6,501</b>	<b>0.82</b>	<b>0.83</b>	

Name of the investee company	Number of shares						Market value as at December 31, 2022	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company held
	As at July 01, 2022	Purchases during the period	Bonus/Right shares received during the period	Right shares purchased/subscribed during the period	Sales during the period	As at December 31, 2022		Net assets of the Fund	Total market value of investments	
	(Number of Shares)						(Rupees in '000)	(%)		
<b>Cement</b>										
Fauji Cement Company Limited (Refer 6.1.1)	479,500	23,500	59,313	-	28,500	533,813	6,416	0.81	0.82	4%
Kohat Cement Company Limited	191,250	40,556	-	-	500	231,306	34,164	4.33	4.37	12%
Attock Cement Pakistan Limited (Refer 6.1.1)	83,300	1,000	-	-	-	84,300	4,767	0.60	0.61	6%
Lucky Cement Limited (Refer 6.1.1)	44,497	600	-	-	10,500	34,597	15,450	1.96	1.98	1%
Maple Leaf Cement Cement Factory Limited	144,319	2,000	-	-	23,800	122,519	2,765.25	0.35	0.35	2%
	<b>942,866</b>	<b>67,656</b>	<b>59,313</b>	<b>-</b>	<b>63,300</b>	<b>1,006,535</b>	<b>63,563</b>	<b>8.05</b>	<b>8.13</b>	
<b>Automobile Parts &amp; Accessories</b>										
Thal Limited	11	-	-	-	-	11	2	-	-	0%
Panther Tyres Limited	64,200	-	-	-	1,000	63,200	1,310	0.17	0.17	4%
	<b>64,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>63,211</b>	<b>1,312</b>	<b>0.17</b>	<b>0.17</b>	
<b>Textile Composite</b>										
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	-	807,000	5,649	0.72	0.72	17%
Gul Ahmed Textile Mills Ltd	283,160	-	-	-	-	283,160	6,977.06	0.88	0.89	7%
Kohinoor Textile Mills	372,613	15,500	-	-	-	388,113	18,338	2.33	2.34	13%
Nishat (Chunian) Limited	15,800	-	-	-	15,800	-	-	-	-	0%
Interloop Limited	54,091	-	947	-	44,801	10,237	580	0.07	0.07	0%
The Crescent Textile Mills Limited	12,000	154,000	-	-	-	166,000	2,138	0.27	0.27	17%
Nishat Mills Limited (Refer 6.1.1)	137,300	-	-	-	-	137,300	7,550	0.96	0.97	4%
	<b>1,681,964</b>	<b>169,500</b>	<b>947</b>	<b>-</b>	<b>60,601</b>	<b>1,791,810</b>	<b>41,233</b>	<b>5.23</b>	<b>5.26</b>	
<b>Technology &amp; Communication</b>										
Avanceon Limited	-	97	-	-	-	97	6	-	-	0%
Systems Limited	101,149	-	-	-	23,420	77,729	37,615	4.77	4.81	6%
	<b>101,149</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>23,420</b>	<b>77,826</b>	<b>37,622</b>	<b>4.77</b>	<b>4.81</b>	
<b>Engineering &amp; Electronics</b>										
International Steels Limited	200	-	-	-	-	200	15.132	-	-	0%
Aisha Steel Mill (Refer 6.1.1)	230,500	-	-	-	-	230,500	1,892	0.24	0.24	3%
Pak Electron Limited	463,380	-	-	-	-	463,380	6,001	-	-	-
Mughal Iron & Steel Industries (Refer 6.1.1)	393,020	30,000	-	-	14,200	408,820	19,750	2.50	2.52	16%
	<b>1,087,100</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>14,200</b>	<b>1,102,900</b>	<b>27,658</b>	<b>2.74</b>	<b>2.76</b>	
<b>Balance brought forward</b>	<b>1,087,100</b>				<b>14,200</b>	<b>5,336,988</b>	<b>310,405</b>	<b>38.58</b>	<b>38.90</b>	
<b>Balance carried forward</b>	<b>1,087,100</b>					<b>5,336,988</b>	<b>310,405</b>	<b>38.58</b>	<b>38.90</b>	
<b>Power Generation &amp; Distribution</b>										
Lalpir Power Limited	231,500	-	-	-	-	231,500	3,502.60	0.44	0.45	6%
Pakgen Power Limited	131,000	5,000	-	-	13,000	123,000	3,690	0.47	0.47	3%
The Hub Power Company Limited	164,415	4,000	-	-	7,700	160,715	10,138	1.29	1.30	1%
	<b>526,915</b>	<b>9,000</b>	<b>-</b>	<b>-</b>	<b>20,700</b>	<b>515,215</b>	<b>17,330</b>	<b>2.20</b>	<b>2.22</b>	
<b>Commercial Banks</b>										
Allied Bank Limited (Refer 6.1.1)	37,800	-	-	-	37,800	-	-	-	-	0%
Bank Al-Falah Limited (Refer 6.1.1)	811,801	-	-	-	23,500	788,301	23,759	3.01	3.04	4%
Bank Al-Habib Limited (Refer 6.1.1)	334,400	-	-	-	-	334,400	18,486	2.34	2.36	3%
Bank of Punjab	2,813	-	-	-	-	2,813	13	-	-	0%
Faysal Bank Limited (Refer 6.1.2)	255,328	27,100	-	-	140,600	141,828	3,663	0.46	0.47	1%
Habib Bank Limited (Refer 6.1.1)	313,880	-	-	-	-	313,880	20,004	2.54	2.56	2%
MCB Bank Limited (Refer 6.1.1)	22,500	-	-	-	-	22,500	2,614	0.33	0.33	0%
Meezan Bank Limited	198	-	19	-	-	217	22	-	-	0%
United Bank Limited (Refer 6.1.1)	176,891	-	-	-	1,400	175,491	17,681	2.24	2.26	1%
	<b>1,955,610</b>	<b>27,100</b>	<b>19</b>	<b>-</b>	<b>203,300</b>	<b>1,779,429</b>	<b>86,241</b>	<b>10.92</b>	<b>11.02</b>	
<b>Glass and Ceramics</b>										
Tariq Glass Industries Limited	127,491	2,200	28,448	-	25,500	132,638	8,637	1.10	1.10	18%
Shabbir Tiles & Ceramics Ltd	776,000	50,000	-	-	-	826,000	7,104	0.90	0.91	25%
	<b>903,491</b>	<b>52,200</b>	<b>28,448</b>	<b>-</b>	<b>25,500</b>	<b>958,638</b>	<b>15,741</b>	<b>2.00</b>	<b>2.01</b>	

Name of the investee company	Number of shares						Market value as at December 31, 2022	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company held
	As at July 01, 2022	Purchases during the period	Bonus/Right shares received during the period	Right shares purchased/subscribed during the period	Sales during the period	As at December 31, 2022		Net assets of the Fund	Total market value of investments	
	(Number of Shares)						(Rupees in '000)	(%)		
<b>Paper &amp; Board</b>										
Packages Limited	1,450	-	-	-	1,450	-	-	-	-	0%
Roshan Packages Limited	68,000	-	-	-	-	68,000	744	0.09	0.10	5%
	<b>69,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,450</b>	<b>68,000</b>	<b>744</b>	<b>0.09</b>	<b>0.10</b>	
<b>Food and Personal Care Products</b>										
Shezan International Limited	6,930	-	-	-	-	6,930	1,027	0.13	0.13	7%
	<b>6,930</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,930</b>	<b>1,027</b>	<b>0.13</b>	<b>0.13</b>	
<b>Automobile Assembler</b>										
Honda Atlas Cars (Pakistan) Ltd	3,700	-	-	-	3,700	-	-	-	-	0%
Millat Tractors Ltd	10,670	1,253	-	-	11,920	3	2	-	-	0%
	<b>14,370</b>	<b>1,253</b>	<b>-</b>	<b>-</b>	<b>15,620</b>	<b>3</b>	<b>2</b>	<b>-</b>	<b>-</b>	
<b>Pharma And Biotech</b>										
AGP Limited	37,500	-	-	-	-	37,500	2,437	0.31	0.31	1%
Highnoon Laboratories Limited	11,242	-	-	-	-	11,242	6,072	0.77	0.78	1%
Abot Laboratories	2,900	-	-	-	300	2,600	1,205	0.15	0.15	0%
IBL Healthcare Limited	46,460	-	4,396	-	4,500	46,356	1,743	0.22	0.22	7%
Citi Pharma Limited	52,098	-	-	-	9,000	43,098	1,041	0.13	0.13	2%
The Searle Company Limited	22,084	-	5,520	-	3,109	24,495	1,442	0.18	0.18	1%
	<b>172,284</b>	<b>-</b>	<b>9,916</b>	<b>-</b>	<b>16,909</b>	<b>165,291</b>	<b>13,940</b>	<b>1.76</b>	<b>1.77</b>	
<b>Transport</b>										
Pakistan National Shipping Corporation	-	56,000	-	-	-	56,000	5,698	0.72	0.73	
Pakistan International Bulk Terminal	328,500	-	-	-	-	328,500	1,557	0.20	0.20	2%
	<b>328,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>384,500</b>	<b>7,255</b>	<b>0.20</b>	<b>0.20</b>	
<b>Leather &amp; Tanneries</b>										
Service Global Footwear Limited	44,690	-	-	-	44,690	-	-	-	-	0%
Service Industries Limited	16,800	-	-	-	8,900	7,900	2,684	0.34	0.34	2%
	<b>61,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,590</b>	<b>7,900</b>	<b>2,684</b>	<b>0.34</b>	<b>0.34</b>	
<b>Miscellaneous</b>										
Total - December 31, 2022	<b>9,539,799</b>	<b>481,056</b>	<b>101,747</b>	<b>-</b>	<b>955,708</b>	<b>9,222,894</b>	<b>455,371</b>	<b>56.22</b>	<b>56.89</b>	
Carrying value at at December 31, 2022							<b>488,946</b>			

**6.1.1** Investments include shares with market value of 78.29 million (June 30, 2022: Rs. 85.66 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan, the breakup of which is as follows:

Name of Investee Company	December 31, 2022		June 30, 2022	
	Shares pledged	Market value (Rs. in '000)	Shares pledged	Market value (Rs. in '000)
Bank Al-habib Limited	190,000	10,503	190,000	11,031
Lucky Cement Limited	34,000	15,184	34,000	15,607
Nishat Mills Limited	50,000	2,750	50,000	3,696
Oil & Gas Development Company Limited	144,000	11,471	144,000	11,328
Pakistan Petroleum Limited	179,500	12,231	179,500	12,118
Allied bank Limited	25,000	1,599	25,000	1,725
Attock Cement Pakistan Limited	10,000	566	10,000	665
Aisha Steels Limited	25,000	205	25,000	276

Name of Investee Company	December 31, 2022		June 30, 2022	
	Shares pledged	Market value	Shares pledged	Market value
Bank Al-Falah Limited	100,000	3,014	100,000	3,200
Engro Polymer & Chemicals Limited	50,000	2,116	50,000	3,982
Fauji Cement Company Limited	100,000	1,202	100,000	1,417
Fauji fertilizer Bin Qasim Limited	10,000	153	10,000	202
Fauji Fertilizers Comppany Limited	25,000	2,468	25,000	2,756
Habib Bank Limited	20,000	1,275	20,000	1,827
MCB Bank Limited	10,000	1,162	10,000	1,230
Mughal Iron & Steel Limited	100,000	4,831	100,000	5,764
Pakistan State Oil Company Limited	35,000	5,040	35,000	6,014
United Bank Limited	25,000	2,519	25,000	2,828
	<u>1,132,500</u>	<u>78,289</u>	<u>1,132,500</u>	<u>85,666</u>

**6.1.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with the other asset management companies and the Mutual Funds Association of Pakistan, has filed a petition in Honourable Sindh High Court to declare the ammendements brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment scheme null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case.

During the year ended June 30, 2018, the Honorable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the prior year. On July 11, 2019, the CISs have filed a fresh constitutional petition vide CP 4653.

In this regard, on July 15, 2019, the Honorable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the prior period were not withheld by the investee companies.

As at December 31, 2022, the bonus shares amounting to Rs. 1.09 million ( June 30, 2022: Rs. 1.06 million) of the Fund have been withheld by the companies at the time of declaration of bonus shares. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Name of the company	December 31, 2022 (Un-audited)		June 30, 2022 (Audited)	
	Bonus Shares		Bonus Shares	
	Number	Market value	Number	Market value
	Rs in 000		Rs in 000	
Pakistan State Oil Limited	1,142	164	1,142	196
Hascol Petroleum Limited	777	4	777	3
Faysal Bank Limited	27,327	706	27,327	630
Kohinoor Textile Mills Limited	4,639	219	4,639	232
	<b>33,885</b>	<b>1,093</b>	<b>33,885</b>	<b>1,061</b>

## 6.2 Term finance certificates - listed

All term finance certificates have a face value of Rs 5,000.

Name of the investee company	Note	Number of certificates			Market value As at December 31, 2022 --- (Rs. In 000) ---	Market value as a percentage of net assets ----- (%) -----	Market value as a percentage of total investments ----- (%) -----
		As at July 01, 2022	Disposals during the period	As at December 31, 2022			
		Saudi Pak Leasing company	6.2.1	10,000			

**6.2.1** This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since it was rescheduled and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as Non Performing Asset (NPA) since April 30, 2014. The amount of provision of Rs. 27.547 million 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.

## 6.3 Term finance certificates - unlisted - at fair value through profit or loss (FVTPL)

All term finance certificates have a face value of Rs 5,000.

Name of the investee company	Number of certificates			As at December 31, 2022	Market value As at December 31, (Rupees in '000)	Market value as a percentage of net assets ----- (%) -----	Market value as a percentage of total ----- (%) -----
	As at July 01, 2022	Purchases during the period	Disposals during the period				
	Jahangir and Siddiqui company limited	17,100	-				
Sonery Bank limited	200	-	-	200	20,000	2.76	2.78
	<b>17,100</b>	<b>-</b>	<b>-</b>	<b>17,100</b>	<b>41,758</b>		

**6.3.1** The term finance certificates held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

**6.4** Significant terms and conditions of term finance certificates outstanding at the period end are as follows:



	Number of certificates	Repayment frequency	Mark-up rate (per annum)	Issue date	Maturity date	Secured / Unsecured	Rating
<b>Listed term finance certificates</b>							
Saudi Pak Leasing Company Limited	10,000	Monthly	6.87% Fixed rate	March 13, 2008	March 13, 2017	Unsecured	Unrated
<b>Unlisted term finance certificates</b>							
Jhangir Siddiqui and Company Limited	17,100	Semi Annually	6 Month KIBOR offer rate plus 1.40%	July 18, 2017	July 18, 2023	Secured	AA+
Sonery Bank limited	200	Semi Annually	6 Month KIBOR offer rate plus 1.7%	December 26, 2022	December 26, 2032	Secured	A+

## 6.5 Sukuk bonds - unlisted - at fair value through profit or loss (FVTPL)

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

Name of the investee company	Number of certificates			Market value As at December 31, 2022 (Rupees in '000)	Market value as a percentage of net assets (%)	Market value as a percentage of total investments
	As at July 01, 2022	Disposals during the period	As at December 31, 2022			
New Allied Electronics Industries (Private) Limited (note 6.5.1)	32,000	-	32,000	-	-	-
Eden Housing Limited (note 6.5.2)	10,000	-	10,000	-	-	-
Mughal Iron & Steel Industries	15	-	15	12,174	1.54	1.56
The Hub Power Company Limited	500	-	500	25,293	3.21	3.23
Shakarganj Foods Limited	30	-	30	16,495	2.09	2.11
<b>Total as at December 31, 2022</b>	<b>42,545</b>	<b>-</b>	<b>42,545</b>	<b>53,962</b>	<b>6.84</b>	<b>6.90</b>

Carrying value before fair value adjustment as at December 31, 2022

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- 6.5.1** This represents investment in privately placed sukuku with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since January 09, 2009. The amount of provision of Rs. 10 million 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.
- 6.5.2** This represents investment in privately placed sukuku bonds with a term of five years. On May 06, 2011, the issuer has defaulted its scheduled principal and profit payment and therefore it was classified as NPA by MUFAP. The amount of provision of Rs. 9.844 million 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.
- 6.5.3** The sukuku held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.
- 6.5.4** Significant terms and conditions of sukuku outstanding at the period end are as follows:

	Number of certificates	Repayment frequency	Face value (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Secured</b>							
<b>Unlisted sukuk</b>							
New Allied Electronics Industries (Private) Limited	32,000	Quarterly	313	3 Month KIBOR offer rate plus 2.6%	July 27, 2007	July 25, 2016	Unrated
Eden Housing Limited	10,000	Quarterly	984	3 Month KIBOR offer rate plus 3%	March 31, 2008	September 29, 2016	Unrated
Mughal Iron & Steel Industries	50	Quarterly	100,000	3 Month KIBOR offer rate plus 1.3%	March 02, 2021	March 02, 2026	A+
The Hub Power Company Limited	500	Quarterly	100,000	3 Month KIBOR offer rate plus 1.9%	August 22, 2019	August 22, 2023	AA+
Shakarganj Foods Limited	30	Quarterly	750,000	3 Month KIBOR offer rate plus 1.75%	July 10, 2018	July 10, 2024	BBB+

		(Unaudited)	(Audited)
		December 31,	December 31,
		(Rupees in '000)	
<b>6.6</b>	<b>Unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss' - net</b>	<b>Note</b>	
	Market value of investments	<b>782,272</b>	792,323
	Less: Carrying value of investments	<b>(866,564)</b>	(859,176)
		<b>(84,292)</b>	(66,853)
	Add: Provision against non-performing TFCs and sukuks	6.6.1	47,391
		<b>(36,901)</b>	(19,462)

**6.6.1** This amount pertains to provision made against the carrying value of non performing term finance certificates and sukuks as per circular no. 1 of 2009 and circular no. 33 of 2012. The breakup of amount is as follows:

Name of Company	Carrying value (Rupees in '000)
Saudi Pak Leasing Company Limited - Term Finance Certificates	27,547
New Allied Electronics Limited - Sukuks	10,000
Eden House Limited - Sukuks	9,844
	<b>47,391</b>

**6.7 Treasury Bills**

		Face value			Market value	
As at				As at December	As at	
July 01,	Purchased	Disposed/		31, 2022	December 31,	
2022	during the period	Matured during the period			2022	
----- (Rupees in '000) -----						
<b>Issue date</b>	<b>Tenor</b>					
28-Apr-22	3 months	-	80,000	(80,000)	-	-
2-Jun-22	3 months	-	100,000	(100,000)	-	-
2-Jun-22	3 months	-	75,000	(75,000)	-	-
10-Mar-22	6 months	-	175,000	(175,000)	-	-
30-Jun-22	3 months	-	175,000	(175,000)	-	-
14-Jul-22	3 months	-	175,000	(175,000)	-	-
28-Jul-22	3 months	-	175,000	(175,000)	-	-
11-Aug-22	3 months	-	175,000	(175,000)	-	-
11-Aug-22	3 months	-	60,000	(60,000)	-	-
11-Aug-22	3 months	-	235,000	(235,000)	-	-
25-Aug-22	3 months	-	235,000	(235,000)	-	-
17-Nov-22	3 months	-	235,000	-	235,000	231,181
<b>Total as at December 31, 2022</b>			<b>1,895,000</b>	<b>(1,660,000)</b>	<b>235,000</b>	<b>231,181</b>

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
<b>7</b>	<b>DIVIDEND AND PROFIT RECEIVABLE</b>	<b>Note</b>	<b>(Rupees in '000)</b>
	Profit receivable on savings accounts	7.1	24
	Dividend receivable on equity shares		1,900
	Accrued markup on term finance certificates and sukus		-
	Less: income suspended over non-performing term finance certificates and sukus		26
			12,452
			<b>12,299</b>
			<b>(9,188)</b>
			<b>3,112</b>
			<b>3,136</b>
<b>8</b>	<b>ADVANCE, DEPOSITS AND PREPAYMENTS</b>		
	Advance tax		882
	Security deposits with:		882
	- Central Depository Company of Pakistan Limited		100
	- National Clearing Company of Pakistan Limited		2,750
	Prepaid Mutual Fund Rating fees		-
	Prepaid listing fees		159
			14
			<b>3,746</b>
<b>9</b>	<b>PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
	Management remuneration	9.1	1,693
	Sindh sales tax on management remuneration		1,692
	Sales and transfer load		220
	Sindh sales tax on sales load		121
	ADC Share Including sales tax		16
	Allocated expenses	9.2	1
	Reimbursement of selling and marketing expense	9.3	2
			430
			2,886
			<b>5,347</b>
			<b>5,242</b>

**9.1** The Management Company has charged its remuneration at the rate of 1.5% of the average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

**9.2** In accordance with clause 60(s) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Management Company is allowed to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Fund or actual whichever is less" from the mutual funds managed by it. Accordingly, such expense has been charged at the rate of 0.1% of average annual net assets of the Fund.

**9.3** The Management Company based on its own discretion has charged selling and marketing expenses at the below mentioned rates duly approved by the Board of Directors of the Management Company:

Effective dates	Applicable rates
From December 17, 2019 till May 10, 2020	1.35% per annum of average daily net assets
From May 11, 2020 till January 25, 2021	1.5% per annum of average daily net assets
From January 26, 2021 till August 22, 2021	1.75% per annum of average daily net assets
From August 23, 2021 till December 31, 2021	1.8% per annum of average daily net assets

10	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>Note</b>	<b>December 31, 2022 Unaudited (Rupees in '000)</b>	<b>June 30, 2022 Audited</b>
	Trustee remuneration	10.1	138	138
	Sindh Sales Tax on trustee remuneration		18	18
			<u>156</u>	<u>156</u>
10.1	The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provision of the trust deed as follows:			
	Net assets	Tariff per annum		
	Upto Rs. 1,000 million	0.20% per annum of net assets,		
	On an amount exceeding Rs. 1,000 million exceeding Rs. 1,000 million.	Rs. 2.0 million plus 0.10% per annum of net assets		
	The remuneration is paid to the Trustee monthly in arrears.			
10.2	The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the trustee of 13% ( 30 June 2022 : 13%) was charged on trustee remuneration.			
11	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<b>Note</b>	<b>(Rupees in '000)</b>	
	Annual fee payable	11.1	<u>82</u>	<u>238</u>
11.1	Under the provisions of the NBFC Regulations, a collective investment scheme categorized as a balanced scheme is required to pay an annual fee to Securities and Exchange Commission of Pakistan, an amount equal to 0.085 percent of the average annual net assets of the Fund till June 30, 2019 and with effective from July 01, 2019. SECP has revised its fee rate to 0.02 percent per annum of the average net assets of the Fund. The fee is paid annually in arrears.			
12	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
	Federal Excise Duty on management remuneration	12.2	11,587	11,587
	Federal Excise Duty on sales load		818	818
	Auditors' remuneration		385	708
	Settlement charges		213	67
	Brokerage fee		7,620	91
	Dividend payable		493	493
	Legal and professional charges		60	130
	Withholding tax		35	158
	Other payable		201	199
	CGT payable		23	16
			<u>21,435</u>	<u>14,267</u>

- 12.1** As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on 4 September 04, 2013.
- 12.2** The Honorable Sindh High Court (SHC) through its recent order dated June 02, 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from July 01, 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated July 16, 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honorable Supreme Court against the Sindh High Court's decision dated June 02, 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from July 01, 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 11.942 million out of which Rs. 0.355 million have been paid to the Management Company (June 30, 2022: Rs. 11.942 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.2637 (June 30, 2022: Rs. 0.2566) per unit.

## **13 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2022, (June 30, 2022: Nil).

## **14 TAXATION**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. 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.

Since, the Management Company intends to distribute its accounting income as per its distribution policy for the year ending June 30, 2023 if require to ensure the compliance of this clause. Accordingly, no provision for taxation has been made in these condensed interim financial information.

## **15 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA OF ASSIGNED CATEGORY**

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated March 06, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. The Board has approved the category of the fund as 'Balanced Fund'.

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

The following are the details of non-compliant investments:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Value as a percentage of net assets	Value as a percentage of gross assets
			----- (Rupees in '000) -----			----- (%) -----	
New Allied Electronic Industries (Private) Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates	10,000	(10,000)	-	-	-
Saudi Pak Leasing Company	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates	27,547	(27,547)	-	-	-
Eden Housing Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks	9,844	(9,844)	-	-	-
Shakarganj Foods Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks	22,733	-	22,733	2.88	2.79

**15.1** At the time of purchase, these term finance certificates and sukuks bonds were in compliance with the aforementioned circular. However, they subsequently defaulted or were downgraded to non investment grade.

**15.2** The management is taking steps to ensure compliance with the above requirements.

## **16 TOTAL EXPENSE RATIO**

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is 4.87% per annum. Total expense ratio (excluding government levies) is 4.5% per annum.

## **17 NET ASSET VALUE PER UNIT**

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

## **18 EARNINGS / (LOSS) PER UNIT**

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## **19 TRANSACTIONS WITH CONNECTED PERSONS/ RELATED PARTY**

**19.1** Connected persons include NBP Fund Management Limited (NBP Funds) 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, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, entities under common management or directorships, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company and unit holders holding 10 percent or more units of the Fund.

- 19.2** The transactions with connected persons are in the normal course of business, at contracted / agreed rates.
- 19.3** Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 19.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust of Deed.

<b>19.5</b>	<b>Details of transactions with related parties / connected persons during the period are as follows:</b>	<b>(Un-audited)</b>	
		<b>December 31, 2022</b>	<b>December 31, 2021</b>
		<b>(Rupees in '000)</b>	
	<b>NBP Fund Management Limited - Management Company</b>	<b>10,292</b>	11,259
	Remuneration of NBP Fund Management Limited - Management Company		
	Sindh Sales Tax on remuneration of the Management Company	<b>1,338</b>	1,464
	Allocated expenses	<b>824</b>	1,446
	Sales Load	-	424
	Reimbursement of selling and marketing expense	<b>5,352</b>	13,393
	<b>Central Depository Company of Pakistan Limited - Trustee</b>	<b>824</b>	1,247
	Remuneration of Central Depository Company of Pakistan Limited - Trustee		
	Sindh Sales Tax on remuneration of Trustee	<b>106</b>	162
	CDS charges	<b>1</b>	17
	<b>Employees of Management Company</b>		
	Units redeemed / transferred out: 612 units (December 31, 2021: 319 units)	<b>11</b>	6
	Units issued / dividend re - invest: 14 units (December 31, 2021: 7 units)	-	-
	<b>Gul Ahmed Textile Mills Limited - Common Directorship</b>	-	2,553
	Shares sold: Nil shares (December 31, 2021: 59,500)		
	<b>Fauji Fertilizer Company Limited - Common Directorship</b>		
	Purchase of 40,000 shares (December 31, 2021: 45,500 shares)	<b>4,080</b>	4,768
	Sold 8,000 shares (December 31, 2020: 189,500 shares)	<b>836</b>	18,624
	Dividend Income	<b>950</b>	2,431
	<b>Taurus Securities Limited - Subsidiary of Parent Company</b>		
	Brokerage charges	<b>10</b>	161
	<b>National Clearing Company of Pakistan Limited - Common Directorship**</b>	-	107
	NCCPL charges		
	<b>International Steels Limited - Common Directorship</b>		
	Purchase of nil shares (December 31, 2021: 4000 Shares)	-	407
	Sold nil shares (December 31, 2021: 29,600 shares)	-	2,003
	Dividend income	-	207
<b>19.6</b>	<b>Balances with related parties / connected persons are as follows:</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>December 31, 2022</b>	<b>June 30, 2022</b>
		<b>(Rupees in '000)</b>	
	<b>NBP Fund Management Limited - Management Company</b>		
	Management remuneration	<b>1,693</b>	1,692
	Sindh Sales Tax	<b>220</b>	220
	Allocated expenses	<b>410</b>	430
	Sales load and sales tax payable	<b>137</b>	104
	Selling and Marketing Expense	<b>2,886</b>	2,794
	Adc shares including sindh sales tax	-	2

	(Un-audited) December 31, 2022 (Rupees in '000)	(Audited) June 30, 2022
<b>Employees of the Management Company</b>		
Units held: 7,154 units (June 30, 2022: 7,752 units)	128	141
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	138	138
Sindh Sales Tax on remuneration of the Trustee	18	18
Settlement charges payable	114	123
Security deposit	100	100
<b>National Bank of Pakistan (Parent of Management company)</b>		
Bank Balance in current account	169	270
<b>NBP Employees Pension Fund - Provident Fund of Parent Company</b>		
Units held: 28,886,715 units (June 30, 2022: 28,886,715 units)	518,332	523,910
<b>Ronak Iqbal Lakhani - 10% or more holding</b>		
Units held: 8,683,522 ( June 30, 2022: 8,683,522 units)	155,814	157,490
<b>Bank Islami Pakistan Limited - Common Directorship</b>		
Bank balance in savings account	413	167
Profit receivable	1	-
<b>Taurus Securities Limited - Subsidiary of Parent Company</b>		
Brokerage payable	3	-
<b>Gul Ahmed Textile Mills Limited - Common Directorship</b>		
Shares held: 283,160 shares (June 30, 2022: 283,160 shares)	6,977	9,574
<b>National Clearing Company of Pakistan Limited - Common Directorship**</b>		
NCCPL charges payable	-	9
Security deposit	-	2,750
<b>Fauji Fertilizer Company Limited - Common Directorship</b>		
Shares held: 216,701 shares (June 30, 2022: 328,000 shares)	21,391	20,358

## 20 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from respective book values as the items are either short-term in nature or repriced periodically.

### 20.1 Fair value hierarchy

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



- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly ; and
- Level 3: unobservable inputs for the asset or liability.

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	Carrying Value			Fair Value				
	At fair value through profit or loss	At Amortised Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
'----- (Rupees in '000)-----'								
<b>On Balance sheet financial instruments financial assets measured at Fair value</b>								
<b>Investments - financial assets at fair value</b>								
- Equity securities - listed	455,371	-	-	455,371	455,371	-	-	455,371
- Term finance certificates	41,758	-	-	41,758	-	41,758	-	41,758
<b>On Balance sheet financial instruments financial assets measured at Fair value</b>								
<b>Investments - financial assets at fair value</b>								
- Equity securities - listed	528,179	-	-	528,179	528,179	-	-	528,179
- Term finance certificates	30,859	-	-	30,859	-	30,859	-	30,859

## 21 GENERAL

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

## 22 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and to reflect the substance of the transactions.

## 23 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 21, 2023.

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## Head Office

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