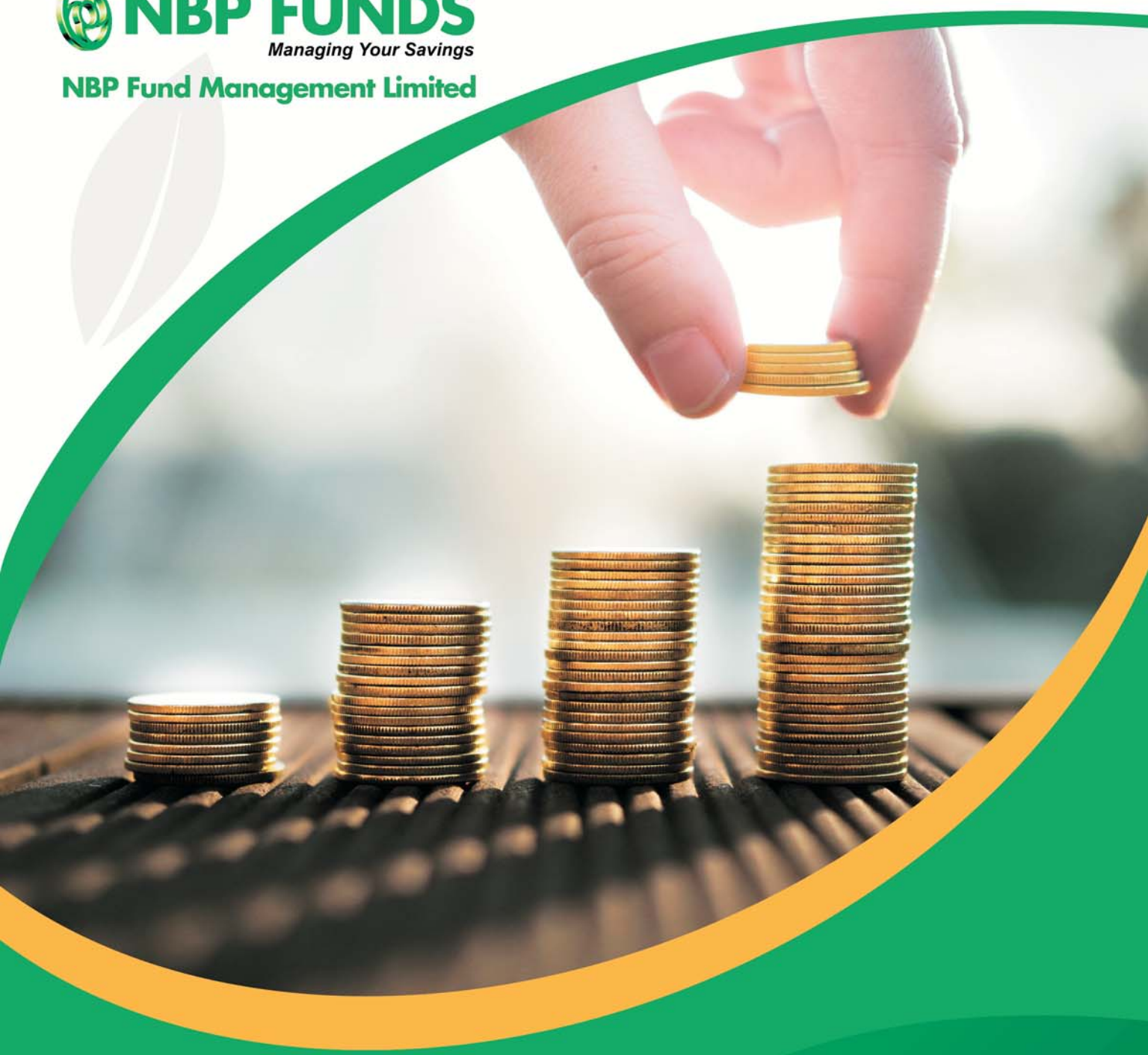




Managing Your Savings

NBP Fund Management Limited



NBP GOVERNMENT SECURITIES SAVINGS 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
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Khushali Microfinance Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Mobilink Microfinance Bank Limited
Telenor Microfinance Bank Limited
HBL Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited
Samba Bank Limited



Auditors

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

Legal Advisor

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

Head Office:

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

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 reviewed financial statements of **NBP Government Securities Savings Fund (NGSSF)** for the half year ended December 31, 2022.

Fund's Performance

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 easing pressure on currency. However, inflation expectations have been raised in anticipation of tough measures that may follow post re-entry into the IMF Program. According to SBP, rising input costs due to global & domestic supply shocks 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 during 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 surrounding 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. Moreover, in the six PIB auctions, SBP realized an amount of Rs. 943 billion. In the last auction for the half-year ended, bids for 3-year, 5-year and 10-year tenures were rejected, while there were no bids for 15-year, 20-year and 30-year tenures.

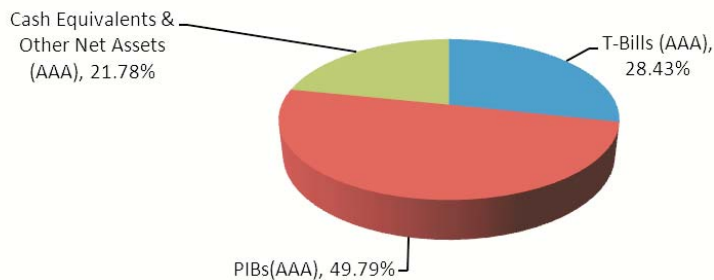
NGSSF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a Money Market scheme, the Fund has strict investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is 'AA', while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

NBP Government Securities Savings Fund (NGSSF) invests a minimum of 70% in Government Securities. The Fund invests at least 10% of its assets in less than 90 days T-Bills or saving accounts with banks, which enhances liquidity profile of the Fund.

The size of NBP Government Securities Savings Fund has increased from Rs. 138 million to Rs. 139 million during the period, a mere increase of 0.3%. During the period, the unit price of the Fund has increased from Rs. 10.4090 on June 30, 2022 to Rs. 11.1695 on December 31, 2022 thus showing return of 14.5% 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 been assigned a stability rating of 'AA- (f)' by PACRA.

The Fund has earned a total income of Rs. 10.887 million during the period. After deducting total expenses of Rs. 1.348 million, the net income is Rs. 9,539 million.

The asset allocation of NGSSF as on December 31, 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: **February 21, 2023**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لیڈر کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لئے NBP گورنمنٹ سیکورٹیز سیونگز فنڈ (NGSSF) 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 شیخ 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 خروں کے باعث دونوں اطراف میں ہی گھومتا رہا۔

اگرچہ لیکڈ کارپوریٹ نے جون اور ستمبر کی مدت کے لیے قبل از ٹیکس 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 تازہ کرنا پڑا اور بیرونی رقم کی آمد نمایاں طور پر کم ہو گئی۔ 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 گر 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 بوجھ لگ گیا۔ اوسط مہنگائی تقریباً 25 فیصد تک پہنچ گئی جو کئی دہائیوں کی بلند ترین سطح پر تھی جس نے مرکزی بینک کو اس مدت کے دوران پالیسی ریٹ میں مزید 225 ہنسر 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 قاتلانہ حملے کا 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 ختم دیا۔

سیکٹر وار کارکردگی کے لحاظ سے سبسٹنس، آئل اینڈ گیس ایکسپلوریشن کمپنیاں، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پاور جنریشن اور ڈسٹری بیوشن، شوگر اینڈ الائیڈ انڈسٹریز، بیکنائو جی اور کمیونیکیشن اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب آٹو اسمبلرز، آٹو پارٹس اینڈ اسبسریز، کیبل اینڈ الیکٹریکل اشیا، کمپیکلز، انجینئرنگ، خوراک اور ذاتی نگہداشت، گلاس اینڈ سٹریکس، پیپر اینڈ بورڈ، فارماسیوٹیکل، ریفائنری اور ٹیکنالوجی کمپوزٹ کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، بینکس / DFIs اور انفرادی سرمایہ کار بااثر ترین 50 بلین امریکی ڈالر اور 48 بلین امریکی ڈالر کی آمد کے ساتھ سب سے بڑے خالص خریدار رہے۔ اس کے برعکس، میوچل فنڈز اور انشورنس نے اپنی خالص ہولڈنگز کو بااثر ترین 64 بلین امریکی ڈالر اور 63 بلین امریکی ڈالر سے کم کیا۔ مزید برآں، چھ PIB ٹیلا میوں میں، SBP نے 943 بلین روپے کی رقم وصول کی۔ ختم ہونے والی ششماہی کی آخری ٹیلا می میں 3 سال، 5 سال اور 10 سال کی مدتوں کی پیشکشیں مسترد کر دی گئیں، جبکہ 15 سال، 20 سال اور 30 سال کی مدتوں کے لئے کوئی پیشکش نہیں تھی۔

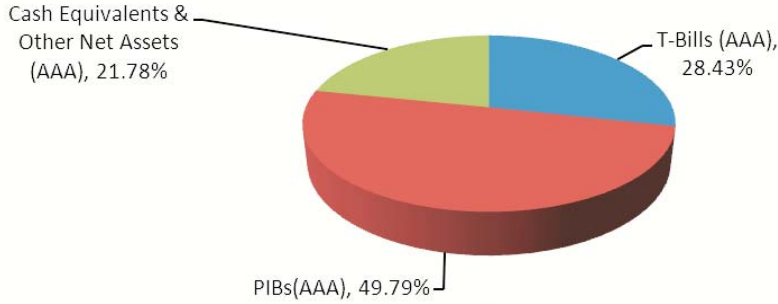
NGSSF کو PACRA کی طرف سے 'AA (f)' مستحکم درجہ بندی تفویض کی گئی ہے، جو کہ ریٹرن میں نسبتاً استحکام کو برقرار رکھنے اور خطرات کی بہت کم ایکسپوزر کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔ منہی مارکیٹ سکیم ہونے کی حیثیت سے، فنڈ میں سرمایہ کاری کی سخت گائیڈ لائنز ہیں۔ فنڈ کی مجاز سرمایہ کاری میں ٹی بلز، بینک ڈپازٹس اور منہی مارکیٹ کے آلات شامل ہیں۔ کم از کم درجہ بندی کی ضرورت 'AA' ہے، جبکہ فنڈ کو چھ ماہ کی میچورٹی سے زیادہ کسی بھی سیکورٹی میں سرمایہ کاری کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کا اوسط دورانیہ 90 دنوں سے زیادہ نہیں ہو سکتا۔

NBP گورنمنٹ سیکورٹیز سیونگز فنڈ (NGSSF) گورنمنٹ سیکورٹیز میں کم از کم 70% سرمایہ کاری کرتا ہے۔ فنڈ اپنے اثاثوں کا 10% کم از کم 90 دنوں سے بھی کم عرصہ میں ٹی بلز یا بینکوں کے ہاں بچت کھاتوں میں لگاتا ہے، جس سے فنڈ کی لیکویڈٹی پر وفاقی میں اضافہ ہوتا ہے۔

موجودہ مدت کے دوران NBP گورنمنٹ سیکورٹیز سیونگز فنڈ (NGSSF) کا ساٹھ ماہ 138 ملین روپے سے بڑھ کر 139 ملین روپے ہو گیا یعنی 0.3 فیصد کا اضافہ ہوا۔ اس مدت کے دوران، گورنمنٹ سیکورٹیز سیونگز فنڈ کی یونٹ قیمت 30 جون 2022 کو 10.4090 روپے سے بڑھ کر 31 دسمبر 2022 کو 11.1695 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے شیخ مارک ریٹرن 15.9% سالانہ کے مقابلے میں 14.5% کا منافع ظاہر کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کی طرف سے 'AA- (f)' کی مستحکم درجہ بندی تفویض کی گئی ہے۔

NBP گورنمنٹ سیکورٹیز سیونگس فنڈ (NGSSF) نے موجودہ مدت کے دوران 10.887 ملین روپے کی مجموعی آمدنی ہوئی۔ 1.348 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 9,539 ملین روپے ہے۔

31 دسمبر 2022 کو NGSSF کی ایسٹ ایلوکیشن درج ذیل ہے:



اظہار شکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی 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 تخلص 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 مینجمنٹ لمیٹڈ

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 Government Securities Savings 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' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Government Securities Savings 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 unit holders' fund and condensed interim cash flow statement for the half year ended December 31, 2022, together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarter ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed 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 condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 27, 2023

UDIN: RR202210061RleCUSJNQ

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

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in 000) -----			
ASSETS			
Bank balances	4	33,493	45,832
Investments	5	108,521	98,269
Profit receivable		1,856	1,453
Deposit, prepayment and other receivables		755	874
Receivable against issuance of units		1,940	-
Total assets		146,565	146,428
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	6	5,847	5,872
Payable to Central Depository Company of Pakistan Limited - Trustee		7	7
Payable to the Securities and Exchange Commission of Pakistan	7	14	34
Payable against redemption of units		1,492	-
Accrued expenses and other liabilities	8	463	2,191
Total liabilities		7,823	8,104
NET ASSETS		138,742	138,324
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		138,742	138,324
CONTINGENCIES AND COMMITMENTS	9		
----- (Number of units) -----			
NUMBER OF UNITS IN ISSUE		12,421,537	13,288,874
----- (Rupees) -----			
NET ASSETS VALUE PER UNIT	10	11.1695	10.4090

The annexed notes 1 to 17 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 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) -----					
INCOME					
Income on government securities		8,209	5,401	4,274	2,639
Profit on bank deposits		2,825	2,719	1,377	1,194
		11,034	8,120	5,651	3,833
Loss on sale of investments - net		(3)	(888)	-	(803)
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.3	(144)	(134)	(84)	276
		(147)	(1,022)	(84)	(527)
Total income		10,887	7,098	5,567	3,306
EXPENSES					
Remuneration of NBP Fund Management Limited - Management Company	6.1	151	200	76	92
Sindh Sales Tax on remuneration of the Management Company	6.2	20	26	10	12
Reimbursement of allocated expenses	6.3	85	121	42	56
Reimbursement of selling and marketing expenses	6.4	477	680	239	317
Remuneration of Central Depository Company of Pakistan Limited - Trustee		38	59	19	25
Sindh Sales Tax on remuneration of the Trustee		5	8	3	4
Annual fee of the Securities and Exchange Commission of Pakistan	7.1	14	19	7	9
Auditors' remuneration		341	275	181	155
Securities transaction costs		1	10	1	10
Settlement and bank charges		11	48	4	2
Listing fee		14	14	7	7
Legal and professional charges		74	157	19	128
Rating fee		86	201	43	105
Printing and other charges		31	49	26	3
Total operating expenses		1,348	1,867	677	925
Net income from operating activities		9,539	5,231	4,890	2,381
Reversal of provision against Sindh Workers' Welfare Fund -net		-	4,681	-	-
Net income for the period before taxation		9,539	9,912	4,890	2,381
Taxation	11	-	-	-	-
Net income for the period after taxation		9,539	9,912	4,890	2,381
Earnings per unit	12				
Allocation of net income for the period					
Net income for the period after taxation		9,539	9,912		
Income already paid on units redeemed		(405)	(548)		
		9,134	9,364		
Accounting income available for distribution:					
- Relating to capital gains		-	-		
- Excluding capital gains		9,134	9,364		
		9,134	9,364		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

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

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	9,539	9,912	4,890	2,381
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>9,539</u>	<u>9,912</u>	<u>4,890</u>	<u>2,381</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



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

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period (audited)	95,984	42,340	138,324	170,323	42,214	212,537
Issuance of 1,740,225 units (2021: 4,236,034 units)						
- Capital value (at net asset value per unit at the beginning of the period)	18,114	-	18,114	44,051	-	44,051
- Element of income	892	-	892	1,570	-	1,570
Total proceeds on issuance of units	19,006	-	19,006	45,621	-	45,621
Redemption of 2,670,561 units (2021: 10,304,434 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(27,142)	-	(27,142)	(107,157)	-	(107,157)
- Element of loss	(580)	(405)	(985)	(3,229)	(548)	(3,777)
Total payments on redemption of units	(27,722)	(405)	(28,127)	(110,386)	(548)	(110,934)
Total comprehensive income for the period	-	9,539	9,539	-	9,912	9,912
Net assets at end of the period (un-audited)	87,268	51,474	138,742	105,558	51,578	157,136
Undistributed income brought forward						
- Realised income		42,794			42,641	
- Unrealised loss		(454)			(427)	
		42,340			42,214	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		9,134			9,364	
		9,134			9,364	
Undistributed income carried forward		51,474			51,578	
Undistributed income carried forward						
- Realised income		51,618			51,712	
- Unrealised loss		(144)			(134)	
		51,474			51,578	
Net assets value per unit at beginning of the period			(Rupees) 10.4090			(Rupees) 10.3991
Net assets value per unit at end of the period			11.1695			10.9352

The annexed notes 1 to 17 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 HALF YEAR DECEMBER 31, 2022

	Note	Half year ended December 31,	
		2022	2021
		----- (Rupees in 000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		9,539	9,912
Adjustments:			
Income on government securities		(8,209)	(5,401)
Profit on bank deposits		(2,825)	(2,719)
Unrealised (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.3	144	134
Reversal of provision against Sindh Workers' Welfare Fund - net		-	(4,681)
		(10,890)	(12,667)
(Increase) / decrease in assets			
Investments - net		(19,625)	(54,763)
Deposits, prepayment and other receivables		119	155
		(19,506)	(54,608)
(Decrease) / increase in liabilities			
Payable to NBP Fund Management Limited - Management Company		(25)	(9)
Payable to Central Depository Company of Pakistan Limited - Trustee		-	(6)
Payable to the Securities and Exchange Commission of Pakistan		(20)	(39)
Accrued expenses and other liabilities		(1,728)	(1,542)
		(1,773)	(1,596)
Profit received on bank deposits and government securities		10,631	10,616
Net cash used in operating activities		(11,999)	(48,343)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units - net of refund of element		17,066	45,621
Net payments against redemption of units		(26,635)	(113,932)
Net cash used in financing activities		(9,569)	(68,311)
Net decrease in cash and cash equivalents during the period		(21,568)	(116,654)
Cash and cash equivalents at the beginning of the period		94,501	250,253
Cash and cash equivalents at the end of the period	4.2	72,933	133,599

The annexed notes 1 to 17 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 INFORMATION (UN-AUDITED) FOR THE HALF YEAR DECEMBER 31, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Government Securities Savings Fund (the Fund) was established under a Trust Deed entered into between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2014 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

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 was 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.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited.

The objective of the Fund is to provide unit holders with competitive return from a portfolio of low credit risk securities by investing primarily in government securities.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 on June 22, 2022 (June 30, 2022: AM1). 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 maintained the stability rating of the Fund at "AA-(f)" dated September 28, 2022 (June 30, 2022: "AA-(f)" on March 29, 2022).

The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), 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.

2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of the 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.

2.3 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 and for the half year ended December 31, 2022.

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.

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, 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 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.

3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2023. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in 000) -----			
4 BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	33,493	45,832
		<u>33,493</u>	<u>45,832</u>

4.1 These include balances of Rs 0.079 million (2022: Rs 0.089 million), Rs 0.498 million (2022: Rs 0.556 million) and Rs 0.086 million (2022: Rs 0.084 million) maintained with National Bank of Pakistan, BankIslami Pakistan Limited and Telenor Microfinance Bank Limited (related parties) that carry profit at the rate of 14.5% (2022: 12.25%) per annum, 15% (2022: 15.25%) per annum and 14.5% (2022: 12.25%) per annum respectively. Other savings accounts of the Fund carry profit at the rate ranging from 13.5% to 17.65% per annum (2022: 6.5% to 18.28% per annum).

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----			
4.2 Cash and cash equivalents:			
Balances with banks	4	33,493	45,832
Government Securities - Market Treasury Bills	5.2	39,440	48,669
		<u>72,933</u>	<u>94,501</u>

5 INVESTMENTS

At fair value through profit or loss

Government Securities - Pakistan Investment Bonds	5.1	69,081	49,600
Government Securities - Market Treasury Bills	5.2	39,440	48,669
		<u>108,521</u>	<u>98,269</u>

5.1 Government Securities - Pakistan Investment Bonds

Issue date	Tenor in years	Face value				Market value as at December 31, 2022	Market value as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold during the period	As at December 31, 2022		net assets of the Fund	total investments of the Fund
----- (Rupees in 000) -----						----- (%) -----		
November 17, 2022	5	-	10,000.00	-	10,000	9,544	6.88%	8.79%
September 8, 2022	2	-	10,000.00	-	10,000	9,897	7.13%	9.12%
October 22, 2020	3	50,000	-	-	50,000	49,640	35.78%	45.74%
Total		<u>50,000</u>	<u>20,000</u>	<u>-</u>	<u>70,000</u>	<u>69,081</u>		
Carrying value as at December 31, 2022 (Un-audited)						<u>69,225</u>		
Market value as at June 30, 2022 (Audited)						<u>49,600</u>		
Carrying value as at June 30, 2022 (Audited)						<u>49,777</u>		

5.1.1 This carry rate of return of 15.67% to 16.97% (2022: 13.19%) per annum.

5.2 Government Securities - Market Treasury Bills

Issue date	Tenor in months	Face value				Market value as at December 31, 2022	Market value as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022		net assets of the Fund	total investments of the Fund
----- (Rupees in 000) ----- (%) -----								
November 3, 2022	3	-	15,000	-	15,000	14,846	10.70%	13.68%
November 17, 2022	3	-	25,000	-	25,000	24,594	17.73%	22.66%
January 13, 2022	6	-	15,000	15,000	-	-	-	-
January 27, 2022	6	-	15,000	15,000	-	-	-	-
February 10, 2022	6	-	10,000	10,000	-	-	-	-
June 30, 2022	3	-	50,000	50,000	-	-	-	-
July 14, 2022	3	-	50,000	50,000	-	-	-	-
July 28, 2022	3	-	50,000	50,000	-	-	-	-
August 11, 2022	3	-	50,000	50,000	-	-	-	-
August 25, 2022	3	-	35,000	35,000	-	-	-	-
March 10, 2022	6	50,000	-	50,000	-	-	-	-
Total		50,000	315,000	325,000	40,000	39,440		
Carrying value as at December 31, 2022 (Un-audited)						<u>39,440</u>		
Market value as at June 30, 2022 (Audited)						<u>48,669</u>		
Carrying value as at June 30, 2022 (Audited)						<u>48,946</u>		

5.2.1 These carry rate of return ranging from 15.17% to 15.46% (2022: 14.47%) per annum and are due to mature latest by February 09, 2023.

5.3 Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	Note	(Un-audited)	(Audited)
		December 31, 2022	June 30, 2022
----- (Rupees in 000) -----			
Market value of investments	5.1 & 5.2	108,521	98,269
Less: carrying value of investments	5.1 & 5.2	<u>(108,665)</u>	<u>(98,723)</u>
		<u>(144)</u>	<u>(454)</u>

6 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

Remuneration payable to the Management Company	6.1	26	24
Sindh Sales Tax on remuneration of the Management Company	6.2	3	3
Reimbursement of allocated expenses payable	6.3	43	47
Reimbursement of selling and marketing expenses payable	6.4	240	262
Federal excise duty on remuneration of the Management Company	6.5	1,865	1,865
Federal excise duty on sales load	6.5	371	371
Sales and transfer load		2,850	2,848
Sindh Sales Tax on sales load		391	390
ADC charges payable including Sindh sales tax		13	17
Other payable		45	45
		<u>5,847</u>	<u>5,872</u>

- 6.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.5% (June 30, 2022: 1.5%) of net income, subject to floor and capping of 0.2% and 1% per annum of the average net assets of the Fund during the half year ended December 31, 2022. The remuneration is payable to the Management Company monthly in arrears.
- 6.2** During the period, an amount of Rs. 0.020 million (December 31, 2021: Rs. 0.026 million) was charged on account of sales tax on the management fee levied through the Sindh Sales Tax on Services Act, 2011 @ 13% (December 31, 2021: 13%).
- 6.3** In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged allocated expenses under the following rates:

Rate applicable from July 1, 2022 to December 31, 2022	Rate applicable from July 1, 2021 to June 30, 2022
0.125% of average annual net assets	0.125% of average annual net assets

- 6.4** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at 0.7% (2022: 0.7%) of the average annual net assets of the Fund keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations.
- 6.5** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (HSC) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 2.24 million (2022: Rs 2.24 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2022 would have been higher by Re 0.18 (2022: Re 0.1683) per unit.



	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in 000) -----			
7	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	14	34

7.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2022: 0.02%) of the average annual net assets of the Fund.

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in 000) -----		
8	ACCRUED EXPENSES AND OTHER LIABILITIES	
	Auditors' remuneration payable	234
	Bank charges payable	75
	Printing charges payable	24
	Withholding tax payable	7
	Capital gains tax payable	13
	Legal and professional charges payable	110
		281
		49
		10
		1,692
		-
		159
		2,191

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2022 and June 30, 2022.

10 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 end.

11 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon 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, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

12 EARNINGS PER UNIT

Earnings 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.



13 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.98% (December 31, 2021: 1.93%) which includes 0.06% (December 31, 2021: 0.06%) representing Government Levies on the Fund such as Sindh Workers' Welfare Fund, sales taxes and the annual fee to the SECP Fee. The prescribed limit for the ratio is 2.5% (December 31, 2021: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

14.1 Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

14.2 Transactions with connected persons / related parties are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

14.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

14.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

14.6 Details of the transactions with related parties / connected persons during the year are as follows:

	----- (Un-audited) -----	
	Half year ended	
	December 31,	
	2022	2021
	----- (Rupees in 000) -----	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	151	200
Sindh Sales Tax on remuneration of the Management Company	20	26
Reimbursement of selling and marketing expenses	477	680
Reimbursement of allocated expenses	85	121
Sales and transfer load	2	66
Sales Tax on sales and transfer load **	-	9
National Bank of Pakistan - parent of the Management Company		
Purchase of Market Treasury Bills	-	9,942
Profit on bank deposits	2	7

	----- (Un-audited) -----	
	Half year ended	
	December 31,	
	2022	2021
	----- (Rupees in 000) -----	
Employees of the Management Company		
Units issued: 87,172 units (December 31, 2021: 19,566 units)	962	210
Units redeemed: 86,365 units (December 31, 2021: 15,933 units)	953	172
BankIslami Pakistan Limited - common directorship		
Profit on bank deposits	7	27
NBP Financial Sector Income Fund		
Sale of Pakistan Investment Bonds	-	35,787
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	38	59
Sindh Sales Tax on remuneration of the Trustee	5	8
Khushhali Microfinance Bank Limited - common directorship *		
Profit on bank deposits	-	9
14.7 Amounts outstanding as at period / year end are as follows:	(Un-audited)	(Audited)
	December	June 30,
	31, 2022	2022
	----- (Rupees in 000) -----	
NBP Fund Management Limited - the Management Company		
Management fee payable	26	24
Sindh Sales Tax payable on remuneration of the Management Company	3	3
Federal Excise Duty on remuneration of the Management Company	1,865	1,865
Federal Excise Duty on sales load	371	371
Sales and transfer load payable	2,850	2,848
Sindh Sales Tax on sales load payable	391	390
Reimbursement of allocated expenses payable	43	47
Reimbursement of selling and marketing expenses payable	240	262
ADC charges payable including Sindh sales tax	13	17
Other payables	45	45
Employees of the Management Company		
Units held: 13,510 units (2022: 12,703 units)	151	132
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	6	6
Sindh Sales Tax payable on Trustee fee	1	1
Security deposit	102	102
National Bank of Pakistan - parent of the Management Company		
Bank balances	79	89
Profit receivable on bank balances	-	1



	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in 000) -----	
Bank Islami Pakistan Limited - common directorship		
Bank balances	498	556
Profit receivable on bank balances	-	-
Telenor Microfinance Bank Limited - common directorship		
Bank balance	86	84
Profit receivable on bank balance	-	1
Khushhali Microfinance Bank Limited - common directorship *		
Bank balance	-	50
Profit receivable on bank balance	-	2
Franey N. Irani - unit holder with 10% or more holding		
Units held: 2,496,836 (2022: 2,496,836 units)	27,888	25,990
ASML Employees Provident Fund Trust - unit holder with 10% or more holding		
Units held: 2,303,418 (2021: 2,303,418 units)	25,728	23,976

*Current period balance has not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2022.

**Nil due to rounding off.

15 FAIR VALUE MEASUREMENT

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 the market prices prevailing at the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

15.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

----- Un-audited -----				
----- As at December 31, 2022 -----				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000 -----				
At fair value through profit or loss				
Government Securities - Pakistan				
Investment Bonds	-	69,081	-	69,081
Government Securities - Market Treasury Bills	-	39,440	-	39,440
	-	108,521	-	108,521

----- Audited -----				
----- As at June 30, 2022 -----				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000 -----				
At fair value through profit or loss				
Government Securities - Pakistan				
Investment Bonds	-	49,600	-	49,600
Government Securities - Market Treasury Bills	-	48,669	-	48,669
	-	98,269	-	98,269

16 GENERAL

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

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised 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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