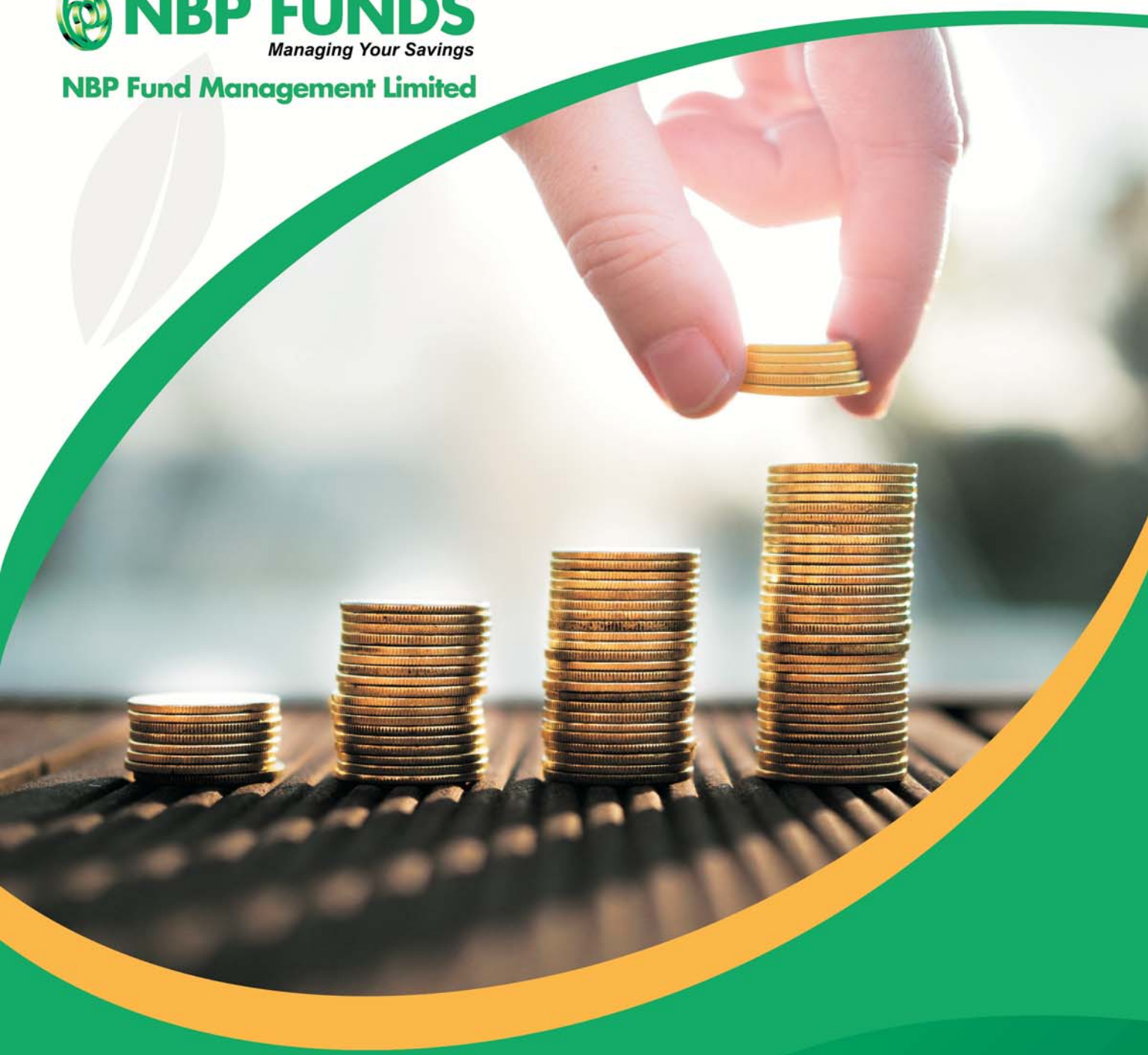




Managing Your Savings

NBP Fund Management Limited



NBP MAHANA AMDANI 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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

| | |
|---------------------------------|------------------------------------|
| Allied Bank Limited | Soneri Bank Limited |
| Askari Bank Limited | Telenor Microfinance Bank Limited |
| Bank Al Habib Limited | HBL Microfinance Bank Limited |
| Bank Alfalah Limited | U Microfinance Bank Limited |
| Bank Islami Pakistan Limited | United Bank Limited |
| Habib Bank Limited | Mobilink Microfinance Bank Limited |
| Habib Metropolitan Bank Limited | Al Baraka Bank Pakistan Limited |
| JS Bank Limited | National Bank of Pakistan |
| Khushhali Bank Limited | Faysal Bank Limited |
| MCB Bank Limited | The Bank of Khyber |
| Meezan Bank Limited | |
| Samba Bank Limited | |
| Silk 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 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

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 reviewed financial statements of **NBP Mahana Amdani Fund (NMAF)** 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.

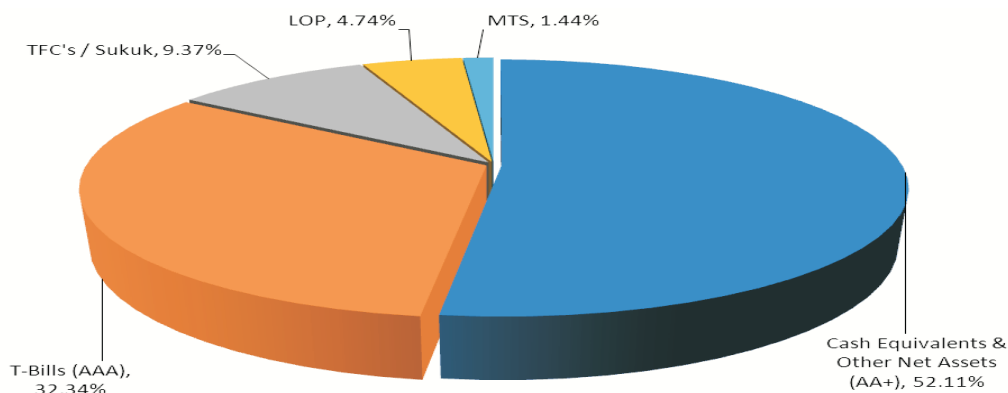
Despite the administrative contraction in the current account deficit, external account management still looks challenging whereas these measures have also created supply-chain bottlenecks. Also, the production cuts by firms due to supply constraints have resulted in decline in LSM growth. The lack of 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.

The Fund is rated 'AA-(f)' by PACRA, which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund is allowed to invest in MTS. However, NBP Funds' internal guidelines permit financing in only fundamentally strong companies. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rate of return with no direct exposure to the stock market.

The size of NBP Mahana Amdani Fund has increased from Rs. 4,054 million to Rs. 4,217 million during the period, a growth of 4%. During the period, the unit price of the Fund has increased from Rs. 10.2006 on June 30, 2022 to Rs. 10.9607 on December 31, 2022 thus showing a return of 14.8% p.a. as compared to the benchmark return of 16.1% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 349.03 million during the period. After deducting total expenses of Rs. 35.83 million, the net income is Rs. 313.2 million. The asset allocation of NMAF 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, 2022**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لئے NBP ماہانہ آمدنی فنڈ (NMAF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

ماہی 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 بیس 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۔

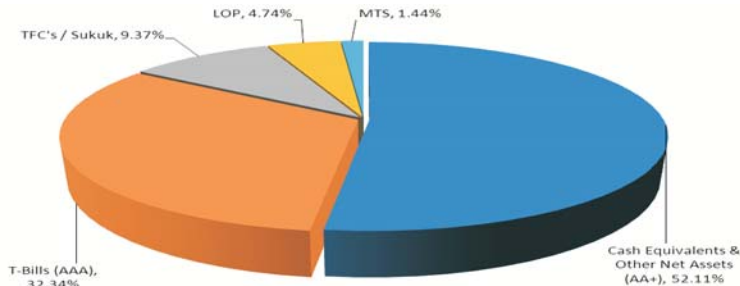
کرنٹ اکاؤنٹ خسارہ میں انتظامی سگڑاؤ کے باعث بیرونی کھاتوں کا انتظام اب بھی چیلنجنگ نظر آتا ہے جبکہ ان اقدامات نے سپلائی چین میں رکاوٹیں بھی پیدا کی ہیں۔ نیز سپلائی کی ان رکاوٹوں کی وجہ سے فرم کی طرف سے پیداوار میں کمی کے نتیجے میں LSM کی نمو میں کمی واقع ہوئی ہے۔ فریش مالی رقوم کی کمی اور قرضوں کی جاری 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 (1HFY23) میں 4.2 بلین امریکی ڈالر کی کمی، جو مالی اور مالیاتی استحکام کے لیے چیلنج اور خطرات پیدا کر رہے ہیں۔

SBP نے ٹی بل کی تیرہ ٹیلا میوں کا انعقاد کیا، جس سے 10.8 ٹریلین روپے ہدف اور 10.7 ٹریلین روپے مچھوٹی کے باعث کل 19.1 ٹریلین روپے کی وصولی ہوئی۔ ٹی بلز کی شرح منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کے لئے بالترتیب 1.7 فیصد، 1.8 فیصد اور 1.7 فیصد تک اضافہ ہوا۔ مختصر مدتی سوریجن منافع میں یہ اضافہ بنیادی طور پر پالیسی ریٹس میں اضافہ 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 ٹیلا می میں، 3 ماہ، 6 ماہ اور 12 ماہ کے لئے ٹی بل پر کٹ آف شرح منافع بالترتیب 16.99 فیصد، 16.83 فیصد اور 16.85 فیصد درج کیا گیا۔ 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 تھیں۔

فنڈ کو PACRA کی طرف سے AA-(f) کی ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشاندہی کرتی ہے۔ فنڈ کو MTS میں سرمایہ کاری کی اجازت ہے، تاہم NBP فنڈ کی داخلی ہدایات صرف بنیادی طور پر مستحکم کمپنیوں میں سرمایہ کاری کی اجازت دیتی ہیں۔ یہ یہاں ذکر مناسب ہے کہ اس ایسیٹ کلاس میں فنڈ منافع کی پہلے سے طے شدہ شرح منافع پر فنانسنگ فراہم کرتا ہے اور اسٹاک مارکیٹ میں براہ راست سرمایہ کاری نہیں کرتا۔

اس مدت کے دوران NBP ماہانہ آمدنی فنڈ کا ساڑھے 4,054 ملین روپے سے بڑھ کر 4,217 ملین روپے ہو گیا ہے، (یعنی 4% کا اضافہ)۔ اس مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 10.2006 روپے سے بڑھ کر 31 دسمبر 2022 کو 10.9607 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے بیچ مارک منافع 16.1% کے مقابلے میں 14.8% منافع درج کر آیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو اس مدت کے دوران 349.03 ملین روپے کی مجموعی آمدنی ہوئی۔ 35.83 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 313.2 ملین روپے ہے۔ 31 دسمبر کو NMAF کی ایٹ ایلوکیشن حسب ذیل ہے:





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ اینڈریج کمیٹی 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 رٹرنی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

مخائب بورڈ آف ڈائریکٹرز

NBP فونڈ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

تاریخ: 21 فروری 2023ء

مقام: کراچی

ڈائریکٹر

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 Mahana Amdani 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 Mahana Amdani 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: RR202210061c145o9sCG



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

| | | (Un-audited) December 31, 2022 | (Audited) June 30, 2022 |
|---|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Bank balances | 4 | 2,194,947 | 3,993,843 |
| Investments | 5 | 1,958,826 | 96,400 |
| Receivable against Margin Trading System (MTS) | 6 | 60,678 | - |
| Profit receivable | | 42,904 | 53,250 |
| Deposits and prepayments | | 364 | 669 |
| Receivable against issuance of units | | - | 31,906 |
| Total assets | | <u>4,257,719</u> | <u>4,176,068</u> |
| LIABILITIES | | | |
| Payable to NBP Fund Management Limited - the Management Company | 7 | 28,860 | 29,073 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | | 292 | 320 |
| Payable to the Securities and Exchange Commission of Pakistan | 8 | 440 | 974 |
| Payable against redemption of units | | 7,337 | 29,855 |
| Accrued expenses and other liabilities | 9 | 3,614 | 61,550 |
| Total liabilities | | <u>40,543</u> | <u>121,772</u> |
| NET ASSETS | | <u>4,217,176</u> | <u>4,054,296</u> |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | <u>4,217,176</u> | <u>4,054,296</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 10 | ----- (Number of units) ----- | |
| NUMBER OF UNITS IN ISSUE | | <u>384,755,132</u> | <u>397,457,788</u> |
| | | ----- (Rupees) ----- | |
| NET ASSET VALUE PER UNIT | 11 | <u>10.9607</u> | <u>10.2006</u> |

The annexed notes 1 to 18 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

| | Half year ended December 31, | | Quarter ended December 31, | |
|---|---------------------------------|----------------|-------------------------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| INCOME | | | | |
| Profit on bank deposits | 208,111 | 155,068 | 71,882 | 76,767 |
| Income on debt securities | 19,282 | - | 16,949 | - |
| Income on government securities | 100,253 | 19,981 | 62,354 | 14,203 |
| Income on commercial papers | 3,600 | 18,853 | 288 | 15,433 |
| Income on letters of placement | 11,315 | 1,646 | 8,131 | 1,646 |
| Income from Margin Trading System (MTS) | 6,304 | 28,628 | 5,862 | 3,783 |
| | <u>348,865</u> | <u>224,176</u> | <u>165,466</u> | <u>111,832</u> |
| Loss on sale of investments - net | (218) | (177) | (273) | (153) |
| Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net | 5.5 379 | - | 328 | (8) |
| | <u>161</u> | <u>(177)</u> | <u>55</u> | <u>(161)</u> |
| Total income | <u>349,026</u> | <u>223,999</u> | <u>165,521</u> | <u>111,671</u> |
| EXPENSES | | | | |
| Remuneration of NBP Fund Management Limited - the Management Company | 7.1 3,313 | 4,101 | 1,553 | 1,908 |
| Sindh Sales Tax on remuneration of the Management Company | 7.2 431 | 533 | 202 | 248 |
| Reimbursement of allocated expenses | 7.4 2,750 | 3,312 | 1,283 | 1,589 |
| Reimbursement of selling and marketing expenses | 7.5 25,296 | 24,826 | 11,802 | 13,007 |
| Remuneration of Central Depository Company of Pakistan Limited - the Trustee | 1,650 | 1,987 | 770 | 953 |
| Sindh Sales Tax on remuneration of the Trustee | 214 | 258 | 100 | 124 |
| Annual fee of the Securities and Exchange Commission of Pakistan | 8.1 440 | 530 | 205 | 254 |
| Settlement and bank charges | 853 | 3,973 | 629 | 885 |
| Listing fee | 14 | 14 | 7 | 7 |
| Auditors' remuneration | 499 | 520 | 254 | 280 |
| Legal and professional charges | 48 | 305 | 10 | 204 |
| Rating fee | 318 | 290 | 159 | 146 |
| Printing and other charges | 7 | 35 | - | 24 |
| Total operating expenses | <u>35,833</u> | <u>40,684</u> | <u>16,974</u> | <u>19,629</u> |
| Net income from operating activities | <u>313,193</u> | <u>183,315</u> | <u>148,547</u> | <u>92,042</u> |
| Reversal of provision against Sindh Workers' Welfare Fund - net | - | 15,169 | - | - |
| Net income for the period before taxation | <u>313,193</u> | <u>198,484</u> | <u>148,547</u> | <u>92,042</u> |
| Taxation | 12 - | - | - | - |
| Net income for the period after taxation | <u>313,193</u> | <u>198,484</u> | <u>148,547</u> | <u>92,042</u> |
| Earnings per unit | 13 | | | |
| Allocation of net income for the period | | | | |
| Net income for the period after taxation | 313,193 | 198,484 | | |
| Income already paid on units redeemed | (74,703) | (45,248) | | |
| | <u>238,490</u> | <u>153,236</u> | | |
| Accounting income available for distribution | | | | |
| - Relating to capital gains | 161 | - | | |
| - Excluding capital gains | 238,329 | 153,236 | | |
| | <u>238,490</u> | <u>153,236</u> | | |

The annexed notes 1 to 18 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 | 313,193 | 198,484 | 148,547 | 92,042 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | <u>313,193</u> | <u>198,484</u> | <u>148,547</u> | <u>92,042</u> |

The annexed notes 1 to 18 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 ENDED 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 the beginning of the period (audited) | 4,030,034 | 24,262 | 4,054,296 | 5,267,767 | 19,555 | 5,287,322 |
| Issuance of 1,472,865,244 units (2021: 607,902,916 units) | | | | | | |
| - Capital value (at ex - net asset value per unit) | 15,024,109 | - | 15,024,109 | 6,193,497 | - | 6,193,497 |
| - Element of income | 571,240 | - | 571,240 | 137,272 | - | 137,272 |
| Total proceeds on issuance of units | 15,595,349 | - | 15,595,349 | 6,330,769 | - | 6,330,769 |
| Redemption of 1,485,567,900 units (2021: 675,249,700 units) | | | | | | |
| - Capital value (at ex - net asset value per unit) | (15,153,684) | - | (15,153,684) | (6,879,647) | - | (6,879,647) |
| - Element of income | (517,275) | (74,703) | (591,978) | (113,039) | (45,248) | (158,287) |
| Total payments on redemption of units | (15,670,959) | (74,703) | (15,745,662) | (6,992,686) | (45,248) | (7,037,934) |
| Total comprehensive income for the period | - | 313,193 | 313,193 | - | 198,484 | 198,484 |
| Net assets at the end of the period (un-audited) | 3,954,424 | 262,752 | 4,217,176 | 4,605,850 | 172,791 | 4,778,641 |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 24,262 | | | 19,554 | |
| - Unrealised income | | - | | | 1 | |
| | | <u>24,262</u> | | | <u>19,555</u> | |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | | 161 | | | - | |
| - Excluding capital gains | | 238,329 | | | 153,236 | |
| | | <u>238,490</u> | | | <u>153,236</u> | |
| Distributions during the period | | - | | | - | |
| Undistributed income carried forward | | <u>262,752</u> | | | <u>172,791</u> | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 262,373 | | | 172,791 | |
| - Unrealised income | | 379 | | | - | |
| | | <u>262,752</u> | | | <u>172,791</u> | |
| | | | (Rupees) | | | (Rupees) |
| Net asset value per unit at the beginning of the period | | | <u>10.2006</u> | | | <u>10.1883</u> |
| Net asset value per unit at the end of the period | | | <u>10.9607</u> | | | <u>10.5813</u> |

The annexed notes 1 to 18 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 ENDED DECEMBER 31, 2022

| | Half year ended | |
|---|------------------|-------------|
| | 2022 | 2021 |
| Note | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | 313,193 | 198,484 |
| Adjustments: | | |
| Profit on bank deposits | (208,111) | (155,068) |
| Income on government securities | (100,253) | (19,981) |
| Income on commercial papers | (3,600) | (18,853) |
| Income on debt securities | (19,282) | - |
| Income on letters of placement | (11,315) | (1,646) |
| Income from Margin Trading System (MTS) | (6,304) | (28,628) |
| Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net | 5.5 (379) | - |
| Reversal of Provision against Sindh Workers' Welfare Fund - net | - | (15,169) |
| | (349,244) | (239,345) |
| (Increase) / decrease in assets | | |
| Investments - net | (498,221) | (951,742) |
| Receivable against Margin Trading System | (60,678) | 1,008,149 |
| Deposits and prepayments | 305 | 276 |
| | (558,594) | 56,683 |
| Decrease in liabilities | | |
| Payable to NBP Fund Management Limited - the Management Company | (213) | (1,806) |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | (28) | (201) |
| Payable to the Securities and Exchange Commission of Pakistan | (534) | (685) |
| Accrued expenses and other liabilities | (57,936) | (29,599) |
| | (58,711) | (32,291) |
| Profit received on bank deposits, debt securities, government securities, commercial papers and letters of placement and MTS | 359,211 | 217,863 |
| Net cash (used in) / generated from operating activities | (294,145) | 201,394 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net receipts from issuance of units | 15,627,255 | 6,366,075 |
| Net payments against redemption of units | (15,768,180) | (7,038,896) |
| Distributions pay-out | - | - |
| Net cash flows used in from financing activities | (140,925) | (672,821) |
| Decrease in cash and cash equivalents during the period | (435,070) | (471,427) |
| Cash and cash equivalents at the beginning of the period | 3,993,843 | 4,298,571 |
| Cash and cash equivalents at the end of the period | 4.3 3,558,773 | 3,827,144 |

The annexed notes 1 to 18 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 ENDED DECEMBER 31, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Mahana Amdani Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and the 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 October 7, 2009, in accordance with the Non-Banking and Finance Companies (Establishment and Regulation) Rules, 2003 (the 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 18, 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 by the SECP under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'income scheme' pursuant to the provisions contained in Circular 7 of 2009.

The objectives of the Fund are to minimise risk, preserve capital and to provide reasonable return to investors along with a high degree of liquidity from a portfolio primarily constituting of bank deposits and money market investments.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (June 30, 2022: AM1) on June 22, 2022. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at "AA-(f)" (2022: "AA-(f)" on April 19, 2022) dated October 19, 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 as 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, JUDGMENTS 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.

| 4 BANK BALANCES | Note | (Un-audited) | (Audited) |
|-------------------------|-------------|-------------------------------------|------------------|
| | | December 31, | June 30, |
| | | 2022 | 2022 |
| | | ----- (Rupees in '000) ----- | |
| Balances with banks in: | | | |
| Savings accounts | 4.1 | 2,193,196 | 3,992,092 |
| Current accounts | 4.2 | 1,751 | 1,751 |
| | | <u>2,194,947</u> | <u>3,993,843</u> |

4.1 These include balances amounting to Rs 11.955 million, Rs 5.160 million and Rs 0.001 million (June 30, 2022: Rs 9.256 million, Rs 18.051 million and Rs Nil respectively) maintained with BankIslami Pakistan Limited, National Bank of Pakistan and Telenor Microfinance Bank Limited (related parties) respectively, that carry profit at the rates 15%, 14.5% and 14.5% per annum respectively (June 30, 2022: 15.25%, 12.25% and 17% per annum). Other savings accounts of the Fund carry profits at the rates ranging from 14.5% to 17.65% per annum (June 30, 2022: 12% to 17% per annum).

4.2 This represents a balance of Rs 1.751 million (2022: Rs 1.751 million) maintained with National Bank of Pakistan (a related party).



| | Note | (Un-audited) December 31, 2022 ----- (Rupees in '000) ----- | (Audited) June 30, 2022 ----- (Rupees in '000) ----- |
|---|------|--|---|
| 4.3 Cash and cash equivalents: | | | |
| Balances with banks | 4 | 2,194,947 | 3,993,843 |
| Government securities - Market Treasury Bills | 5.1 | 1,363,826 | - |
| | | <u>3,558,773</u> | <u>3,993,843</u> |
| 5 INVESTMENTS | | | |
| At fair value through profit or loss | | | |
| Government securities - Market Treasury Bills | 5.1 | 1,363,826 | - |
| Commercial papers | 5.2 | - | 96,400 |
| Letters of placement | 5.3 | 200,000 | - |
| Short term sukuk certificates | 5.4 | 395,000 | - |
| | | <u>1,958,826</u> | <u>96,400</u> |

5.1 Government securities - Market Treasury Bills

| Issue date | Tenor in months | Face value | | | | Market value as at December 31, 2022 | Unrealised (diminution) | Market value as a percentage of | |
|----------------------------------|-----------------|------------------------------|-----------------------------|----------------------------------|-------------------------|--------------------------------------|-------------------------|---------------------------------|---------------|
| | | As at July 1, 2022 | Purchased during the period | Sold / matured during the period | As at December 31, 2022 | | | total investments | net assets |
| | | ----- (Rupees in '000) ----- | | | | | | ----- (%) ----- | |
| March 10, 2022 | 6 | - | 500,000 | 500,000 | - | - | - | - | - |
| June 2, 2022 | 3 | - | 500,000 | 500,000 | - | - | - | - | - |
| June 16, 2022 | 3 | - | 2,100,000 | 2,100,000 | - | - | - | - | - |
| June 30, 2022 | 3 | - | 2,600,000 | 2,600,000 | - | - | - | - | - |
| July 14, 2022 | 3 | - | 2,600,000 | 2,600,000 | - | - | - | - | - |
| July 28, 2022 | 3 | - | 500,000 | 500,000 | - | - | - | - | - |
| August 11, 2022 | 3 | - | 3,300,000 | 3,300,000 | - | - | - | - | - |
| August 25, 2022 | 3 | - | 1,000,000 | 1,000,000 | - | - | - | - | - |
| September 22, 2022 | 3 | - | 1,600,000 | 1,600,000 | - | - | - | - | - |
| October 6, 2022 | 3 | - | 1,700,000 | 1,700,000 | - | - | - | - | - |
| October 20, 2022 (note 5.1.1) | 3 | - | 1,370,000 | - | 1,370,000 | 1,363,826 | 379 | 69.62% | 32.34% |
| Total | | - | 17,770,000 | 16,400,000 | 1,370,000 | 1,363,826 | 379 | 69.62% | 32.34% |

Carrying value as at December 31, 2022 (un-audited)

1,363,447

Market value as at June 30, 2022 (audited)

-

Carrying value as at June 30, 2022 (audited)

-

5.1.1 This carry profit rate from 16.11% per annum and matured on January 12, 2023.

5.2 Commercial papers

| Name of security | Security rating | Number of certificates | | | | As at December 31, 2022 | | | Market value as a percentage of | |
|--|-----------------|------------------------|-----------------------------|---------------------------|-------------------------|------------------------------|---------------|--|---------------------------------|------------|
| | | As at July 1, 2022 | Purchased during the period | Matured during the period | As at December 31, 2022 | Carrying value | Market value | Unrealised appreciation / (diminution) | total investments | net assets |
| | | | | | | ----- (Rupees in '000) ----- | | | ----- (%) ----- | |
| Power generation & distribution | | | | | | | | | | |
| China Power Hub Generation Company (Private) Limited | AA+, PACRA | 100,000 | - | 100,000 | - | - | - | - | - | - |
| Total as at December 31, 2022 (un-audited) | | | | | | - | - | - | - | - |
| Total as at June 30, 2022 (audited) | | | | | | 96,400 | 96,400 | - | - | - |



5.2.1 This carry profit rate from 14.85% per annum and matured on October 09, 2022.

5.3 Letters of placement

| Name of the Investee Company | Rating of investee company | Maturity date | As at July 1, 2022 | Amount placed | | As at December 31, 2022 | As at December 31, 2022 | | Market value as a percentage of | |
|--|----------------------------|--------------------|--------------------|-----------------------------|---------------------------|-------------------------|-------------------------|----------------|---------------------------------|--------------|
| | | | | Purchased during the period | Matured during the period | | Carrying value | Market value | total investments | net assets |
| ----- (%) ----- | | | | | | | | | | |
| DEVELOPMENT FINANCE INSTITUTION | | | | | | | | | | |
| Pak Oman Investment Company Limited | AA+, VIS | September 16, 2022 | - | 500,000 | 500,000 | - | - | - | - | - |
| Pak Libya Holding Company (Private) Limited | AA-, PACRA | September 12, 2022 | - | 500,000 | 500,000 | - | - | - | - | - |
| Pak Libya Holding Company (Private) Limited | AA-, PACRA | December 16, 2022 | - | 200,000 | 200,000 | - | - | - | - | - |
| Pak Libya Holding Company (Private) Limited (note 5.3.1) | AA-, PACRA | February 16, 2023 | - | 200,000 | - | 200,000 | 200,000 | 200,000 | 10.21% | 4.74% |
| Total as at December 31, 2022 (un-audited) | | | | 1,400,000 | 1,200,000 | 200,000 | 200,000 | 200,000 | 10.21% | 4.74% |
| Total as at June 30, 2022 (audited) | | | | | | | | | | |

5.3.1 This carry profit rate from 16.75% per annum and matured on February 16, 2023.

5.4 Short term sukuk certificates

| Name of security | Rating | Profit payments / principal redemptions | Maturity date | Profit rate | As at July 1, 2022 | Purchased during the period | Sold / redeemed during the period | As at December 31, 2022 | Carrying value as at December 31, 2022 | Market value as at December 31, 2022 | Unrealised appreciation / (diminution) | Market value as a percentage of | |
|---|-----------|---|----------------|--|--------------------|------------------------------|-----------------------------------|-------------------------|--|--------------------------------------|--|---------------------------------|--------------|
| | | | | | | | | | | | | total investments | net assets |
| ----- Number of certificates ----- | | | | | | ----- (Rupees in '000) ----- | | | | | | ----- % ----- | |
| Short Term Sukuks | | | | | | | | | | | | | |
| K-Electric short-term sukuk - 7 (non-traded) (Face value of Rs 1,000,000 per certificate) | AA, PACRA | Semi-annually | Feb 10, 2023 | 6 months KIBOR plus base rate of 1.35% | - | 95 | - | 95 | 95,000 | 95,000 | - | 4.85% | 2.25% |
| K-Electric short-term sukuk - 10 (non-traded) (Face value of Rs 1,000,000 per certificate) | AA, PACRA | Semi-annually | April 05, 2023 | 6 months KIBOR plus base rate of 1.45% | - | 300 | - | 300 | 300,000 | 300,000 | - | 15.32% | 7.11% |
| Total as at December 31, 2022 (un-audited) | | | | | | | | | 395,000 | 395,000 | - | 20.17% | 9.36% |
| Total as at June 30, 2022 (audited) | | | | | | | | | | | | | |

5.5 Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net

Note

(Un-audited) (Audited)
December **June 30,**
31, 2022 **2022**
----- (Rupees in '000) -----

| | | | |
|-------------------------------------|---------------------|-------------|----------|
| Market value of investments | 5.1, 5.2, 5.3 & 5.4 | 1,958,826 | 96,400 |
| Less: carrying value of investments | 5.1, 5.2, 5.3 & 5.4 | (1,958,447) | (96,400) |
| | | <u>379</u> | <u>-</u> |

6 RECEIVABLE AGAINST MARGIN TRADING SYSTEM

| | | |
|------------------------|---------------|----------|
| Receivable against MTS | <u>60,678</u> | <u>-</u> |
|------------------------|---------------|----------|



| | Note | (Un-audited) December 31, 2022 | (Audited) June 30, 2022 |
|------------------------------|--|--------------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- | | | |
| 7 | PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY | | |
| | Remuneration payable to the Management Company | 527 | 569 |
| | Sindh Sales Tax on remuneration of the Management Company | 68 | 73 |
| | Federal Excise Duty on remuneration of the Management Company | 10,620 | 10,620 |
| | Provision for Federal Excise Duty on sales load | 292 | 292 |
| | Reimbursement of allocated expenses payable | 1,283 | 1,395 |
| | Reimbursement of selling and marketing expenses payable | 11,803 | 12,463 |
| | Sales and transfer load payable | 2,196 | 2,063 |
| | Sindh sales tax on sales load | 286 | 268 |
| | ADC charges payable including Sindh sales tax | 1,497 | 1,042 |
| | Others | 288 | 288 |
| | | <u>28,860</u> | <u>29,073</u> |

7.1 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% of net income of the Fund subject to floor and capping of 0.15% and 1% per annum of average annual net assets (June 30, 2022: 1% of net income of the Fund subject to floor and capping of 0.15% and 1% per annum of average annual net assets).

The remuneration is payable to the Management Company in arrears.

7.2 During the period, an amount of Rs 0.431 million (December 31, 2021: Rs. 0.533 million) was charged on account of sales tax on management fee levied through the Sindh Sales tax on Services Act, 2011 at the rate of 13% (December 31, 2021: 13%).

7.3 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 sale 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 Sindh High Court (SHC) 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 10.912 million (2022: Rs 10.912 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 0.028 (2022: Re 0.027) per unit.

- 7.4 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 accounting and operational charges 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 |

- 7.5 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 the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations.

| Rate applicable from July 01, 2022 to December 31, 2022 | Rate applicable from July 1, 2021 to August 1, 2021 | Rate applicable from August 2, 2021 to August 15, 2021 | Rate applicable from August 16, 2021 to November 11, 2021 | Rate applicable from November 12, 2021 to May 08, 2022 | Rate applicable from May 09, 2022 to June 30, 2022 |
|---|---|--|---|--|--|
| 1.15% per annum of average daily net assets | 0.7% per annum of average daily net assets | 0.85% per annum of average daily net assets | 0.97% per annum of average daily net assets | 1.07% per annum of average daily net assets | 1.15% per annum of average daily net assets |

| 8 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | (Un-audited) December 31, 2022 ----- (Rupees in '000) ----- | (Audited) June 30, 2022 |
|---|--|------|--|-------------------------------|
| | Fee payable | 8.1 | <u>440</u> | <u>974</u> |

- 8.1 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.

9 ACCRUED EXPENSES AND OTHER LIABILITIES

| | | |
|--|--------------|---------------|
| Auditors' remuneration | 510 | 590 |
| Printing charges payable | 69 | 81 |
| Settlement charges payable | 161 | 73 |
| Bank charges payable | 62 | 34 |
| Withholding tax payable | 89 | 52,914 |
| Capital gains tax payable | 1,615 | 6,674 |
| Legal and professional charges payable | 103 | 179 |
| Others | <u>1,005</u> | <u>1,005</u> |
| | <u>3,614</u> | <u>61,550</u> |

10 CONTINGENCIES AND COMMITMENTS

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

11 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.



12 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 during 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.

13 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.

14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.63% (December 31, 2021: 1.54%) which includes 0.05% (December 31, 2021: 0.05%) representing Government Levies on the Fund such as sales taxes and the annual fee to the SECP. 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.

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1 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.
- 15.2 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.
- 15.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 15.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.



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

| | (Un-audited) | |
|---|------------------------------|---------|
| | Half year ended | |
| | December 31, | |
| | 2022 | 2021 |
| | ----- (Rupees in '000) ----- | |
| NBP Fund Management Limited - the Management Company | | |
| Remuneration of NBP Fund Management Limited - the Management Company | 3,313 | 4,101 |
| Sindh Sales Tax on remuneration of Management Company | 431 | 533 |
| Sales load including Sindh Sales Tax | 5,638 | 9,959 |
| Reimbursement of allocated expenses | 2,750 | 3,312 |
| Reimbursement of selling and marketing expenses | 25,296 | 24,826 |
| ADC charges including Sindh Sales Tax | 1,066 | 999 |
| Central Depository Company of Pakistan Limited - the Trustee | | |
| Remuneration of Central Depository Company of Pakistan Limited - the Trustee | 1,650 | 1,987 |
| Sindh Sales Tax on remuneration of the Trustee | 214 | 258 |
| Settlement charges | 6 | 502 |
| Employees of the Management Company | | |
| Units issued - 10,598,927 units (December 31, 2021: 2,014,438 units) | 111,838 | 20,962 |
| Units redeemed - 10,116,146 units (December 31, 2021: 2,340,457 units) | 106,834 | 24,427 |
| Dr Amjad Waheed - Chief Executive Officer of the Management Company | | |
| Units issued - 195,257 units (December 31, 2021: Nil units) | 1,996 | - |
| Units redeemed - 195,341 units (December 31, 2021: Nil units) | 2,003 | - |
| Muhammad Murtaza Ali - Company Secretary / Chief Operation Officer of the Management Company | | |
| Units issued - 24,460 units (December 31, 2021: Nil units) | 250 | - |
| Units redeemed - 293,532 units (December 31, 2021: 33,653 units) | 3,000 | 351 |
| Portfolio managed by the Management Company | | |
| Units issued - 88 units (December 31, 2021: 5,098,594 units) | 1 | 52,715 |
| Units redeemed - Nil units (December 31, 2021: 10,197,188 units) | - | 106,470 |
| BankIslami Pakistan Limited (common directorship) | | |
| Profit on bank deposit | 4,226 | 250 |
| Khushhali Microfinance Bank Limited (common directorship)* | | |
| Profit on bank deposit | - | 22,903 |
| National Bank of Pakistan - (parent of the Management Company) | | |
| Profit on bank deposit | 108 | 2,025 |
| Purchase of Market Treasury Bills | 990,451 | 949,501 |
| National Clearing Company of Pakistan Limited (common directorship)* | | |
| NCCPL fee | - | 75 |
| K-electric Limited** | | |
| Purchase of sukuk | 395,000 | - |
| Income on sukuk | 19,282 | - |

15.7 Amounts outstanding as at period / year end are as follows:

| | (Unaudited) December 31, 2022 | (Audited) June 30, 2022 |
|---|-------------------------------------|-------------------------------|
| | ----- (Rupees in '000) ----- | |
| NBP Fund Management Limited - the Management Company | | |
| Remuneration payable to the Management Company | 527 | 569 |
| Sindh Sales Tax on remuneration of the Management Company | 68 | 73 |
| Provision for Federal Excise Duty on remuneration of the Management Company | 10,620 | 10,620 |
| Provision for Federal Excise Duty on sales load | 292 | 292 |
| Reimbursement of allocated expenses payable | 1,283 | 1,395 |
| Reimbursement of selling and marketing expenses payable | 11,803 | 12,463 |
| Sales and transfer load payable | 2,196 | 2,063 |
| Sindh sales tax on sales load | 286 | 268 |
| ADC charges payable including Sindh sales tax | 1,497 | 1,042 |
| Others | 288 | 288 |
| Central Depository Company of Pakistan Limited - the Trustee | | |
| Remuneration payable to the Trustee | 258 | 282 |
| Sindh Sales Tax payable on Trustee remuneration | 34 | 37 |
| Security deposit receivable | 100 | 100 |
| Settlement charges payable | 39 | 74 |
| National Bank of Pakistan - (parent of the Management Company) | | |
| Bank balances | 5,160 | 1,751 |
| Profit receivable on bank balances | 2 | 162 |
| National Clearing Company of Pakistan Limited (common directorship)* | | |
| Security deposit | - | 250 |
| Employees of the Management Company | | |
| Units held: 1,247,436 units (June 30, 2022: 764,655 units) | 13,673 | 7,800 |
| BankIslami Pakistan Limited (common directorship) | | |
| Bank balances | 11,955 | 9,256 |
| Profit receivable on bank balances | 49 | 34 |
| Telenor Microfinance Bank Limited - (common directorship) | | |
| Bank balance | 1 | 1 |
| Profit receivable on bank balance | 6 | 6 |
| Khushhali Microfinance Bank Limited (common directorship)* | | |
| Bank balance | - | 374,078 |
| Profit receivable on bank balance | - | 6,114 |
| Dr Amjad Waheed - Chief Executive Officer of the Management Company | | |
| Units held: Nil (2022: 84 units) | - | 1 |
| Muhammad Murtaza Ali - Company Secretary / Chief Operation Officer of the Management Company | | |
| Units held: 434 units (2022: 269,506 units) | 5 | 2,749 |



| | (Unaudited) December 31, 2022 | (Audited) June 30, 2022 |
|--|-------------------------------------|-------------------------------|
| | ----- (Rupees in '000) ----- | |
| Portfolio managed by the Management Company | | |
| Units held: 2,762 units (2022: Nil) | 30 | - |
| Ali Saigol - Director of the Management Company | | |
| Units held: 1,147 units (2022: 1,147 units) | 13 | 12 |
| K-Electric Limited** | | |
| Sukuk certificates | 395,000 | - |
| Profit receivable on sukuk certificates | 19,282 | - |

* Current period figures have not been presented as the person is not a related party / connected person as at December 31, 2022

** Prior period figures have not been presented as the person was not a related party / connected person as at June 30, 2022

16 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 tradeable 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 the respective book values as the items are either short-term in nature or repriced periodically.

16.1 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 - Market Treasury Bills | - | 1,363,826 | - | 1,363,826 |
| Letters of placement | - | 200,000 | - | 200,000 |
| Short term sukuk certificates | - | 395,000 | - | 395,000 |
| | - | 1,958,826 | - | 1,958,826 |
| ----- | | | | |
| ----- Audited ----- | | | | |
| ----- As at June 30, 2022 ----- | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees in '000) ----- | | | | |
| At fair value through profit or loss | | | | |
| Commercial papers * | - | 96,400 | - | 96,400 |
| | - | 96,400 | - | 96,400 |
| ----- | | | | |

* The valuation of commercial papers has been done based on amortisation to their fair value as per the guidelines given in Circular 33 of 2012 by the SECP as the residual maturity of these investments is less than six months and are placed with counterparties which have high credit rating.

17 GENERAL

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

18 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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