



Managing Your Savings

NBP Fund Management Limited



NBP MUSTAHKAM FUND-NFTMP-III

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

Bank Alfalah Limited
Habib Metropolitan Bank Limited
Allied Bank Limited



Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

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 Mustahkam Fund - NBP Fixed Term Munafa Plan - III (NFTMP-III)** for the period from November 15, 2022 to 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.

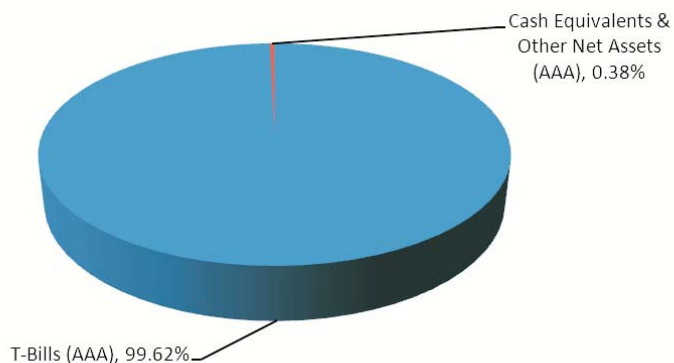
Despite the administrative contraction in the current account deficit, external account management still looks challenging whereas these measures have also created supply-chain bottlenecks. Also, the production cuts by firms due to supply constraints have resulted in decline in LSM growth. The lack of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

NFTMP-III's invests primarily in T-Bill. Exposure of the Fund to credit, liquidity and interest rate risk is low due to investment in Government Securities of maturity of up to one year.

The size of NBP Mustahkam Fund - NBP Fixed Term Munafa Plan - III is Rs. 1,966 million as at December 31, 2022. The unit price of the Fund has increased from Rs. 9.9788 (Ex-Div) since inception (i.e. as on November 15, 2022) to Rs. 10.0450 on December 31, 2022 thus posting a return of 5.3% p.a. as compared to the benchmark return of 15.7% p.a. for the period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 14.79 million during the period. After deducting total expenses of Rs. 1.85 million, the net income is Rs. 12.94 million. The asset allocation of NFTMP-III as on December 31, 2022 is as follows:





Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 0.21% of the opening ex-NAV (0.21% of the par value) during the period from November 15, 2022 to December 31, 2022.

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 لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 15 نومبر 2022ء تا 31 دسمبر 2022ء کو ختم ہونے والی مدت کے لئے NBP مستحکم فنڈ - NBP فکسڈ ٹرم منافع پلان III (NFTMP-III) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 23 کی پہلی ششماہی کے دوران، مانیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد ہوئے اور افراط زر کے دباؤ کو قابو کرنے، قیمتوں کا استحکام حاصل کرنے، اقتصادی استحکام کو یقینی بنانے اور کرنسی پر دباؤ کو کم کرنے کے مقصد سے پالیسی شرح کو 225 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 سہولتی چین میں رکاوٹیں بھی پیدا کی ہیں۔ نیز سہولتی کی ان رکاوٹوں کی وجہ سے فرمز کی طرف سے پیداوار میں کمی کے نتیجے میں LSM کی نمونہ میں کمی واقع ہوئی ہے۔ فریش مالی رقوم کی کمی اور قرضوں کی جاری ادائیگیوں کی 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۔

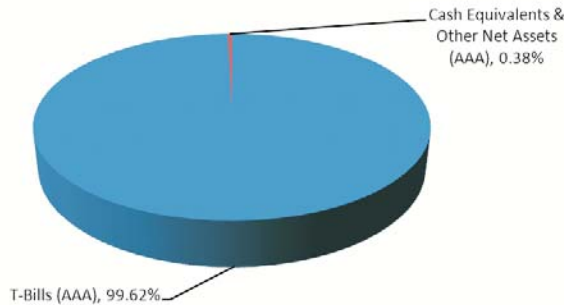
SBP نے ٹی بل کی تیرہ تیلایوں کا انعقاد کیا، جس سے 10.8 ٹریلین روپے ہدف اور 10.7 ٹریلین روپے مپچورٹی کے باعث کل 19.1 ٹریلین روپے کی وصولی ہوئی۔ ٹی بلز کی شرح منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کے لئے بالترتیب 1.7 فیصد، 1.8 فیصد اور 1.7 فیصد اضافہ ہوا۔ مختصر مدتی سوریجن منافع میں اضافہ بنیادی طور پر پالیسی 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 تیلای 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۔

III-NFTMP فنڈ بنیادی طور پر ٹی بل میں سرمایہ کاری کرتی ہے۔ فنڈ کا کریڈٹ، لیویڈیٹی اور شرح سود رسک میں ایکسپوزیٹو ایک سال تک کی مپچورٹی کی گورنمنٹ سیکورٹیز میں سرمایہ کاری کی وجہ سے کم ہے۔

31 دسمبر 2022 کو NBP مستحکم فنڈ - NBP فکسڈ ٹرم منافع پلان III (NFTMP-III) کا سائز 1,966 ملین روپے ہے۔ زیر جائزہ مدت کے دوران، فنڈ کے پونڈ کی قیمت اپنے قیام کے وقت سے (یعنی 15 نومبر 2022) (EX-Div) 9.9788 روپے سے بڑھ کر 10.0450 روپے ہو چکی ہے، لہذا مدت کے لئے 15.7% سالانہ کیمپ مارک ریٹرن کے مقابلے 5.3% کارپنٹن ظاہر کیا ہے۔ یہ کارکردگی مینجمنٹ نہیں اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو موجودہ مدت کے دوران 14.79 ملین روپے کی مجموعی آمدنی ہوئی ہے۔ 1.85 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 12.94 ملین روپے ہے۔

III-NFTMP کی ایسٹ ایلیویشن 31 دسمبر 2022 کو بمطابق ذیل ہے:





آمدنی کی تقسیم

میٹجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 15 نومبر 2022 تا 31 دسمبر 2022 مدت کے لئے اوپننگ ex-NAV کا 0.21% (بنیادی قدر کا 0.21%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میٹجمنٹ 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 مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور آرٹسٹس 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 فنانس میٹجمنٹ 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 Mustahkam 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 period from November 15, 2022 to December 31, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 27, 2023



INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Mustahkam 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, condensed interim statement of cash flow and notes to and forming part of the condensed interim financial statements for the period ended from November 15, 2022 to December 31, 2022 (here-in-after referred to as the 'condensed interim financial statements'). NBP Fund Management Limited (the Management Company) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the 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.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 approved accounting standards as applicable in Pakistan for interim financial reporting.

Yousuf Adil

Chartered Accountants

Engagement Partner

Nadeem Yousuf Adil

Place: Karachi

Date: February 27, 2023

UDIN: RR202210091s0Alj5WHv



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

	Note	(Un-audited) December 31, 2022 -- Rupees in 000 --
Assets		
Bank balances	5	7,927
Investments	6	1,958,949
Profit receivables		1,073
Advance, deposits and prepayment		111
Preliminary expenses and floatation cost	7	175
Total assets		<u>1,968,235</u>
Liabilities		
Payable to NBP Fund Management Limited - Management Company	8	1,593
Payable to Central Depository Company of Pakistan Limited - Trustee	9	104
Payable to Securities and Exchange Commission of Pakistan	10	49
Accrued expenses and other liabilities	11	96
Total liabilities		<u>1,842</u>
Net assets		<u>1,966,393</u>
Unit holders' fund (as per statement attached)		<u>1,966,393</u>
Contingency and commitment	12	
		(Number of units)
Number of units in issue		<u>195,759,261</u>
		(Rupees)
Net assets value per unit		<u>10.0450</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 INCOME STATEMENT (UN-AUDITED) FROM 15 NOVEMBER TO 31 DECEMBER 2022

	From 15 November To December 31, 2022
Note	-- Rupees in 000 --
Income	
Income from government securities	37,654
Profit on bank deposits	1,265
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2 (24,128)
Total income	14,791
Expenses	
Remuneration of NBP Fund Management Limited - Management Company	8.1 370
Sindh Sales Tax on remuneration of the Management Company	8.2 48
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7.1 136
Sindh Sales Tax on remuneration of Trustee	9.2 18
Annual fee - Securities and Exchange Commission of Pakistan	10 49
Reimbursement of operational expenses to the Management Company	8.3 308
Reimbursement of selling and marketing expenses	8.4 788
Auditors' remuneration	66
Settlement and bank charges	14
Listing fee	2
Professional charges	19
Amortisation expense	25
Printing and other charges	7
Total expenses	1,850
Net income from operating activities	12,941
Reversal / (Provision) for Sindh Workers' Welfare Fund	-
Net income for the period before taxation	12,941
Taxation	13 -
Net income for the period	12,941
Allocation of Net income for the period:	
Net income for the period	12,941
Income already paid on units redeemed	-
Accounting income available for distribution	12,941
- Relating to capital gains	-
- Excluding capital gains	12,941
	12,941

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)**
FROM 15 NOVEMBER TO 31 DECEMBER 2022

	From 15 November To December 31, 2022
	-- Rupees in 000 --
Net income for the period	12,941
Other comprehensive income for the period	-
Total comprehensive income for the period	12,941

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) FROM 15 NOVEMBER TO 31 DECEMBER 2022

	From 15 November To December 31,2022		
	Value	Undistributed (loss) / income	Total
	----- Rupees in '000 -----		
Net assets at beginning of the period	-	-	-
Issue of 195,759,261 units			
- Capital value	1,957,593	-	1,957,593
- Element of income	1	-	1
Total proceeds on issuance of units	1,957,594	-	1,957,594
Redemption			
- Capital value	-	-	-
- Element of income / (loss)	-	-	-
Total payments on redemption of units	-	-	-
Distribution during the year			
Re 0.0212 per unit(Date of Declaration:November 22,2022)		(4,142)	(4,142)
Total comprehensive income for the period	-	12,941	12,941
Net assets at end of the period	1,957,594	8,799	1,966,393
Undistributed (loss) / income brought forward			
- Realised		-	
- Unrealised		-	
Accounting income available for distribution:			
- Relating to capital gains		-	
- Excluding capital gains		12,941	
		12,941	
Total comprehensive (loss) / income for the period		12,941	
Undistributed income carried forward		12,941	
Undistributed income carried forward			
- Realised		37,069	
- Unrealised		(24,128)	
		12,941	
Net assets value per unit at beginning of the period		-	
Net assets value per unit at end of the period		10.0450	

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) FROM 15 NOVEMBER TO 31 DECEMBER 2022

		From 15 November To December 31, 2022
	Note	-- Rupees in 000 --
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		12,941
Adjustments for:		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		24,128
Amortisation expense		25
		37,094
Decrease / (increase) in assets		
Investments - net		(1,983,077)
Profit receivable		(1,073)
Receivable against sale of investments		-
Preliminary expenses and floatation cost		(200)
Advances, deposit and prepayment		(111)
		(1,984,461)
(Decrease) / increase in liabilities		
Payable to NBP Fund Management Limited -Management Company		1,593
Payable to Central Depository Company of Pakistan Limited - Trustee		104
Payable to Securities and Exchange Commission of Pakistan		49
Accrued expenses and other liabilities		96
		1,842
Net cash generated from / (used in) operating activities		(1,945,525)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units		1,957,594
Distribution paid		(4,142)
Net cash (used in) / generated from financing activities		1,953,452
Net (decrease) / increase in cash and cash equivalents during the period		7,927
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	5	7,927

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 THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FROM 15 NOVEMBER TO 31 DECEMBER 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The NBP MUSTAHKAM Fund-NFTMP-III (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 18 August 2022 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of (MUFAP).
- 1.3 The Fund is an open-ended mutual fund classified as an "Fixed rate/return" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The core objective of the Fund is to earn potentially high returns by investing in Fixed investment instruments.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned and maintained an asset manager rating of AM1' of Management Company.
- 1.6 Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.7 During the year ended Decemeber 31, 2022 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on September,9 2022 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

- 2.1.1 This condensed interim financial information has been prepared, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:
- International Financial Reporting Standards (IFRS standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.



2.1.2 The SECP vide SRO 800 (I)/2021 dated 22 June 2021 modified the effective date for applicability of International Financial Reporting Standard 9 - Financial Instruments in place of International Accounting Standard 39 (Financial Instruments: Recognition and Measurement) for Non-Banking Finance Companies and Modarabas, as Reporting period / year ending on or after 30 June 2022 (earlier application permitted).

2.1.3 The SECP vide letter ref SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 has deferred the applicability of impairment requirements of International Financial Reporting Standard (IFRS) 9 "Financial Instruments" in relation to debt securities for mutual funds. Accordingly, the impairment requirements of IFRS 9 have not been considered for debt securities and requirements of SECP Circular 33 of 2012 have continued to be followed.

2.2 Accounting convention

These financial statements are prepared under the historical cost convention except for certain investments which are carried at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousand rupees, unless otherwise stated.

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the subsequent year is included in the following notes:

- Classification and valuation of financial instruments (Note 4.1.2 and 4.1.3);
- Impairment of financial assets (Note 4.1.7); and
- Provision (Note 4.2).

3 ADOPTION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS:

New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Interest Rate Benchmark Reform – Phase 2
(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 5) January 01, 2021

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021 April 01, 2021



New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the fund's financial statements other than certain additional disclosures.

	Effective from accounting periods beginning on or after:
Amendments to IFRS 3 'Business Combinations'- Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment'- Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018- 2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

4.1 Financial instruments

The Fund applied IFRS 9 (refer note 2.1.2) except for impairment requirements for which the Fund has continued to follow the requirements of SECP (refer note 2.1.3).



4.1.1 Recognition and initial measurement

The Fund initially recognises regular-way transactions in financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

4.1.2 Classification - Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets



Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has two business models.

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.
- Other business model: This includes debt securities. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.1.3 Subsequent measurement - Financial assets

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / mark-up income, foreign exchange gains and losses and impairment are recognised in income statement.

The fair value of financial assets are determined as follows:

a) Debt securities (other than Government securities)

Debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities (note 2.1.3). In determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.



b) Government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRSV rates) which are based on the remaining tenure of the securities.

4.1.4 Financial liabilities – Classification, subsequent measurement and gains and losses

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest, are recognised in income statement.

Financial liabilities are initially classified as measured at amortised cost and also subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

4.1.5 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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

4.1.6 Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

4.1.7 Impairment of financial assets

The Fund at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated 24 October 2012.

4.1.8 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.



The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

4.1.9 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

4.1.10 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.1.11 Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load if applicable, is payable to the investment facilitators and the Management Company / distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.4 Element of income

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP), the refund of capital is made in the form of additional units at zero price.



		(Un-audited) December 31, 2022	- (Rupees in '000) -
5	BANK BALANCES	Note	
	In current accounts		-
	In savings accounts	5.1	7,927
			7,927
			7,927

5.1 These carry a rate of return ranging from 13.50% to 17.2% per annum.

6 INVESTMENTS

Financial assets at fair value through profit or loss

Market Treasury Bills	6.1	1,958,949
		1,958,949

6.1 Investment in government securities

Issue date	Tenor	Face value			Market value as at December 31, 2022	Market value as a percentage of net assets	Market value as a percentage of total investments
		Purchases during the period	Sales / matured during the period	As at December 31, 2022			
							----- % -----

Market Treasury Bills

17 November 2022	12 Months	2,250,000	-	2,250,000	1,958,949	99.62	100.00
					1,958,949	99.62	100.00
					1,983,077		

6.2 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

Market value of investments	6.1	1,958,949
Less: carrying value of investments		(1,983,077)
		(24,128)
		(24,128)

7 Preliminary Expenses and Floatation costs

Preliminary Expenses and Floatation costs	200	
Less: amortisation during the period	(25)	
Balance as at Dec 31, 2022	175	
		175

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of one year commencing from Nov 15, 2022 as per the requirement of the Trust Deed of the Fund.



		(Un-audited) 31 December 2022
		- (Rupees in '000)
8	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note
	Management remuneration	8.1 249
	Sindh Sales Tax on management remuneration	8.2 33
	Reimbursement of operational expenses to the Management Company	8.3 308
	Reimbursement of selling and marketing expenses	8.4 788
	Other payable NBP Fund Management	15
	Payable against Preliminary expenses and floatation cost	200
		<hr/> 1,593 <hr/>
8.1	Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on 25 November 2015, the Management Company of the Fund is entitled to a remuneration up to 8% of the gross earnings of the scheme, calculated on daily basis, subject to minimum of 0.15% of the average daily net assets of scheme. The Management Company has charged its remuneration at the rate of 0.15% of the average annual net assets of the Fund from 15 November 2022 to 31 December 2022.	
8.2	This represents amount payable in respect of Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.	
8.3	In accordance with clause 60(s) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 the management company is allowed to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Fund or actual whichever is less" from the mutual funds managed by it. On 20 June 2019 SECP vide S.R.O. 639 (I)/2019 has substitute clause (s) of sub regulation 3 of regulation 60 and accordingly has removed cap charging 0.1% per annum of average daily net asset on account of fee and expenses related to registrar services, accounting, operation and valuation services. During the period ended 31 December, 2022, the Management Company has charged allocated expenses at the rate of 0.125% of average daily net assets.	
8.4	As per Circular 5 of 2018 dated 4 June 2018 issued by SECP, the Asset Management Company was entitled to charge selling and marketing expense to Collective Investment Scheme upto 0.4% per annum of net assets of Fund or actual expenses whichever is lower for initial three years. Circular 11 of 2019 dated 5 July 2019, issued by SECP superseded the above stated circular and has revised the conditions and waived capping for charging selling and marketing expense. The Management Company has charged selling and marketing expenses at the rate of 0.32% per annum upto 31 December 2022.	
8.5	TOTAL EXPENSE RATIO	
	The annualised total expense ratio (TER) of the Fund based on the current period is 0.75% which includes 0.05% representing government levy including sales tax and the SECP fee. The prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a fixed rate / return scheme.	
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	
	Trustee remuneration	9.1 91
	Sindh Sales Tax on Trustee remuneration	9.2 12
	Other payable to CDC	1
		<hr/> 104 <hr/>
9.1	Effective from 15 November 2022 the Trustee has charged its remuneration at the rate of 0.055% per annum of net assets of the fund. The remuneration is payable to Trustee monthly in arrears	
9.2	This represents amount payable in respect of Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.	



10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Required to pay an annual fee to Securities and Exchange Commission of Pakistan, at an amount equal to 0.02% of the average annual net assets of the Fund. Under the provisions of the NBFC Regulations, a collective investment scheme categorized as Income scheme is

		(Un-audited)
		31 December
		2022
11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	- (Rupees in '000) -
Auditors' remuneration		66
Withholding tax		1
Printing charges		7
Legal fees		19
Bank charges		1
Listing Fee		2
		96

12 CONTINGENCY AND COMMITMENT

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

13 TAXATION

- 13.1** The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since, the Management Company intends to distribute its accounting income as per its distribution policy for the year ending 30 June 2022 if require to ensure the compliance of this clause. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

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

14 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

- 14.1** Connected persons include NBP Fund Management Limited being the Management Company (NAFA), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP), and its connected persons, and Baltoro Growth Fund being the sponsors and NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, 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 and unit holders holding ten percent or more units of the Fund.
- 14.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 14.3** Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 14.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at period end are as follows:



	<u>(Unaudited)</u> From 15 November To December 31, 2022 Rupees in '000
14.5 Transactions during the period:	
NBP Fund Management Limited	
- Management Company	
Remuneration of NBP Fund Management Limited - Management Company	370
Sindh Sales Tax on remuneration to Management Company	48
Reimbursement of operational expenses to the Management Company	308
Reimbursement of selling and marketing expenses	788
Central Depository Company of pakistan	
Remuneration to Central Depository Company of Pakistan Limited - Trustee	136
Sindh Sales Tax on remuneration of Trustee	18
Portfolio managed by NBP Funds	
Units Issued: 11,710,358 units	117,104
FAUJI AKBAR PORTIA MARINE TERMINALS LTD (10% or more holding)	
Units Issued: 20,002,988.8 units	200,030
ASIA PETROLEUM LTD (10% or more holding)	
Units Issued: 49,975,745.32 units	499,757
1 LINK PRIVATE LIMITED (10% or more holding)	
Units Issued: 50,090,068.48 units	500,901
SHAHID ANWAR (10% or more holding)	
Units Issued: 35,035,779.55 units	350,358
	(Unaudited) 31 December 2022 Rupees in '000
14.6 Amount outstanding as at period / year end:	
NBP Fund Management Limited - Management Company	
Management remuneration payable	249
Sindh Sales tax payable	33
Other payable	15
Reimbursement of selling and marketing expenses	788
Reimbursement of operational expenses to the Management Company	308
Payable against Preliminary expenses and floatation cost	200
Central Depository Company of pakistan	
Remuneration Payable	91
Sindh Sales Tax on Trustee remuneration	12
Other payable to CDC	1
Portfolio managed by NBP Funds	
Units held: 11,710,358 units	117,630
FAUJI AKBAR PORTIA MARINE TERMINALS LTD (10% or more holding)	
Units held: 20,002,988.8 units	200,929
ASIA PETROLEUM LTD (10% or more holding)	
Units held: 49,975,745.32 units	502,004
1 LINK PRIVATE LIMITED (10% or more holding)	
Units held: 50,090,068.48 units	503,152
SHAHID ANWAR (10% or more holding)	
Units held: 35,035,779.55 units	351,933



15 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.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Note	Carrying amount				Fair value			
		At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
December 31, 2022									
Rupees in '000									
Financial assets measured at fair value									
Investments									
- Market Treasury Bills		1,958,949	-	-	1,958,949	-	1,958,949	-	1,958,949
Financial assets not measured at fair value									
	15.1								
Bank balances		-	7,927	-	7,927				
Profit receivables		-	1,073	-	1,073				
Advance and deposits		-	111	-	111				
Preliminary expenses and floatation cost			175		175				
		<u>1,958,949</u>	<u>9,286</u>	<u>-</u>	<u>1,968,235</u>				
Financial liabilities not measured at fair value									
	15.1								
Payable to NBP Fund Management Limited - Management Company		-	-	1,593	1,593				
Payable to Central Depository Company of Pakistan		-	-	104	104				
Payable against purchase of investments		-	-	-	-				
Payable to Securities and Exchange Commission of Pakistan		-	-	49	49				
Accrued expenses and other liabilities		-	-	96	96				
		<u>-</u>	<u>-</u>	<u>1,842</u>	<u>1,842</u>				



- 15.1** The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically.

Therefore, their carrying amounts are reasonable approximation of fair value.

- 15.2** Financial instruments not measured at fair value include net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these condensed interim financial information. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

16 GENERAL

- 16.1** Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 21, 2023 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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