



Managing Your Savings

NBP Fund Management Limited



NBP GOVERNMENT SECURITIES LIQUID FUND

QUARTERLY REPORT
MARCH 31, 2023

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

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

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Government Securities Liquid Fund (NGSLF)** for the period ended March 31, 2023.

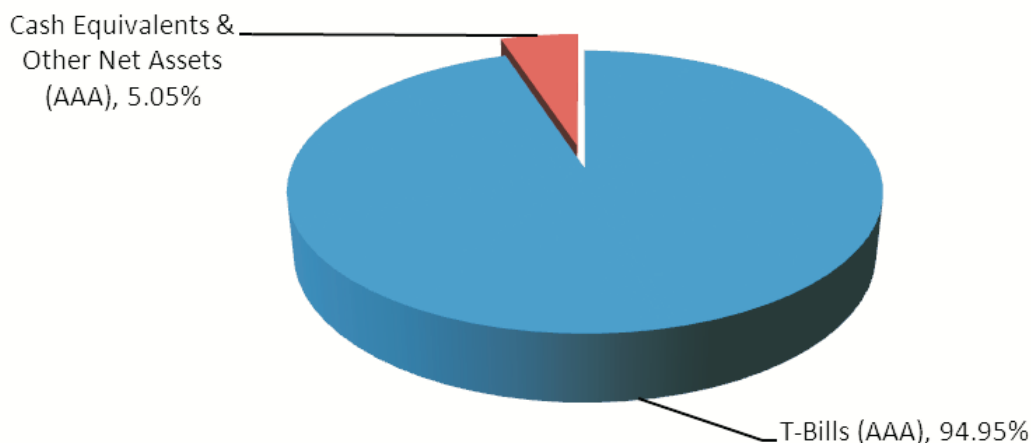
Fund's Performance

During 9MFY23, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings and increased the Policy Rate by 6.25% to 20%. Various stringent administrative measures were taken, however, near-term risks to inflation outlook from external and fiscal adjustments persisted. The CPI inflation averaging at 27.3% YoY coupled with a decline in financial inflows, rising global interest rates and domestic uncertainties, continued to exert pressure on FX reserves and led to significant deterioration in exchange rate. The net liquid foreign exchange reserves with SBP stands at only USD 4.2 billion at March end, posing serious challenges and persistent risks to the financial stability & fiscal consolidation. Sovereign yields also responded to these policy actions and to the rising inflation & interest rate outlook. During the period, SBP held twenty (20) T-Bill auctions realizing a total of Rs. 14.8 trillion against the target of Rs. 16.2 trillion. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 6.4%, 6.0% and 5.9% respectively.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risk is exceptionally low due to 70% minimum investment in Government securities (T-Bills) with average maturity of the overall portfolio at 45 days. The Fund invests in AA and above rated Banks/DFIs with maximum maturity of six months.

The size of NBP Government Securities Liquid Fund has increased from Rs. 1,219 million to Rs. 1,355 million during the period (an increase of 11%). During the period, the unit price of the Fund has increased from Rs. 9.1426 (Ex-Div) on June 30, 2022 to Rs. 10.2421 on March 31, 2023, thus showing a return of 16.0% as compared to the benchmark return of 15.8% 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. 148.54 million during the period. After deducting total expenses of Rs. 10.14 million, the net income is Rs. 138.4 million. The asset allocation of NGSLF as on March 31, 2023 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 11.282% of the opening ex-NAV (11.482% of the par value) during the period ended March 31, 2023.

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

Date April 29, 2023
Place: Karachi.

Director

ڈائریکٹرز رپورٹ

NBP فنڈ میجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2023ء کو ختم ہونے والی نو ماہی کے لئے NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

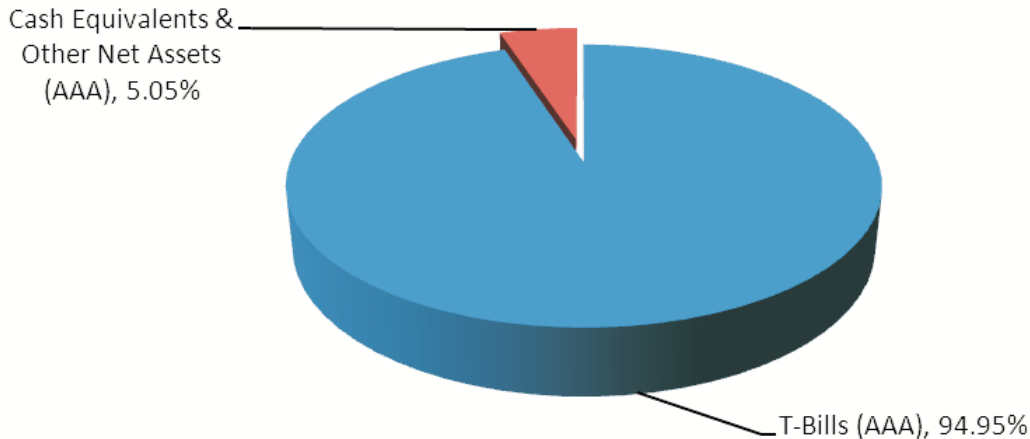
9MFY23 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مائٹری پالیسی کمیٹی (MPC) کے چھ اجلاس منعقد کیے اور پالیسی کی شرح میں 6.25 فیصد سے 20 فیصد تک کا اضافہ کیا۔ مختلف سخت انتظامی اقدامات اٹھائے گئے، تاہم، بیرونی اور مالیاتی مطابقت کے باعث افراط زر کے نقطہ نظر سے قلیل مدت کے خطرات برقرار رہے۔ مالیاتی بہاؤ میں کمی، بڑھتی ہوئی عالمی شرح سود اور مقامی غیر یقینی صورتحال کے ساتھ ساتھ 27.3 فیصد سالانہ اوسط CPI افراط زر نے FX ذخائر پر دباؤ ڈالنا جاری رکھا اور شرح مبادلہ میں نمایاں گراؤ کا باعث بنی۔ SBP کے پاس خالص لیکویڈ غیر ملکی زرمبادلہ کے ذخائر مارچ کے آخر میں صرف 4.2 بلین امریکی ڈالر رہ گئے، جو مالیاتی اور مالی استحکام کے لیے سنگین چیلنجز اور مستقل خطرات کا باعث ہیں۔ حکومتی شرح منافع نے بھی ان پالیسی اقدامات اور بڑھتی ہوئی افراط زر اور شرح سود کے نقطہ نظر کا اثر لیا۔ اس مدت کے دوران، SBP نے بیس (20) ٹی۔بلز نیلامیوں کا انعقاد کیا جس میں 16.2 ٹریلین روپے کے ہدف کے مقابلہ کل 14.8 ٹریلین روپے کی وصولی ہوئی۔ 3- ماہ، 6- ماہ اور 12- ماہ کی مدت کے لیے ٹی۔بلز پر منافع میں بالترتیب 6.4 فیصد، 6.0 فیصد اور 5.9 فیصد کا اضافہ ہوا۔

NGSLF کو PACRA کی طرف سے مستحکم ریٹنگ "AAA(f)" دی گئی ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈیٹی پروفائل کی عکاسی کرتی ہے۔ T-Bills اس فنڈ کی بڑی ایسیٹ کا اس ہے۔ گورنمنٹ سیکورٹیز (T-Bills) میں 6 دنوں میں مجموعی پورٹ فولیو کی اوسط مچھوڑی کے ساتھ کم از کم 70% سرمایہ کاری کے باعث فنڈ کے کریڈٹ، لیکویڈیٹی اور انٹرسٹ ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی مچھوڑی کے ساتھ AA یا زائد ریٹنگ والے پیکیجوں DFIs میں انویسٹ کرنے کی اجازت ہے۔

اس مدت کے دوران NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا سائز 1,129 ملین روپے سے بڑھ کر 1,128 ملین روپے ہو گیا یعنی 11% کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 9.1426 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2023 کو 10.2421 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے نیچے مارک 15.6% کے مقابلے میں 16.0% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی میجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 148.54 ملین روپے کی مجموعی آمدنی کمائی۔ 10.14 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 138.4 ملین روپے ہے۔

NGSLF کی 31 مارچ 2023 ایسیٹ ایلوکییشن درج ذیل ہے:





آمدنی کی تقسیم

بینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لئے اوپننگ ex-NAV کا 11.282% (بنیادی قدر کا 11.482%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 اپریل 2023

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2023

	Note	Unaudited March 31, 2023	Audited June 30, 2022
Rupees in '000			
ASSETS			
Bank balances	4	109,807	1,250,836
Investments	5	1,286,353	-
Mark-up accrued		1,508	3,329
Receivable against conversion of units		50	6,300
Advance and prepayment		10,225	10,123
Total assets		1,407,943	1,270,588
LIABILITIES			
Payable to the Management Company		48,686	47,654
Payable to the Trustee		112	53
Payable to Securities and Exchange Commission of Pakistan		182	208
Payable on redemption of units		644	35
Accrued expenses and other liabilities		3,597	3,416
Total liabilities		53,221	51,366
NET ASSETS		1,354,722	1,219,222
Unit Holders' Funds (as per statement attached)		1,354,722	1,219,222
Contingencies and Commitments	6		
		-----Number of units-----	
Number of units in issue		132,269,544	119,211,811
		Rupees	
Net assets value per unit		10.2421	10.2274

The annexed notes 1 to 13 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

Note	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
-----Rupees in '000-----				
INCOME				
	(541)	(357)	(355)	131
(Loss) / gain on sale of investments - net	135,657	54,324	54,738	21,767
Income from government securities	13,928	16,713	3,515	5,496
Profit on bank deposits				
Net unrealised appreciation / (diminution) on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	(503)	9	(835)	(6)
Total Income	148,541	70,689	57,063	27,388
EXPENSES				
Remuneration of the Management Company	1,827	1,625	660	514
Sindh sales tax on remuneration of the Management Company	238	211	86	67
Remuneration of the Trustee	501	469	180	142
Sindh sales tax on remuneration of Trustee	65	61	23	18
Annual fee - Securities and Exchange Commission of Pakistan	182	159	65	51
Reimbursement of operational expenses to the Management Company	1,138	997	410	321
Reimbursement of selling and marketing expenses	4,717	3,987	1,803	1,284
Securities transaction cost	61	13	26	8
Bank charges	174	1	53	-
Annual listing fee	21	21	7	7
Rating fee	226	361	80	127
Auditors' remuneration	809	594	192	143
Legal and professional charges	135	261	44	25
Printing Charges	50	2	40	-
Total Expenses	10,144	8,762	3,669	2,707
Net income from operating activities	138,397	61,927	53,394	24,681
Reversal / (provision) for Sindh Workers' Welfare Fund	-	25,954	-	-
Net income for the period before taxation	138,397	87,881	53,394	24,681
Taxation	-	-	-	-
Net income for the period after taxation	138,397	87,881	53,394	24,681
Earnings per unit				
Allocation of net income for the period				
Net income for the period after taxation	138,397	87,881	53,394	24,681
Income already paid on redemption of units	(2,680)	(13,091)	(1,499)	(2,844)
	135,717	74,790	51,895	21,837
Accounting income available for distribution:				
- Relating to capital gain	-	-	(146)	-
- Excluding capital gain	135,717	74,790	52,041	21,837
	135,717	74,790	51,895	21,837

The annexed notes 1 to 13 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	-----Rupees in '000-----			
Net income for the period after taxation	138,397	87,881	53,394	24,681
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	138,397	87,881	53,394	24,681

The annexed notes 1 to 13 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months period ended					
	March 31, 2023			March 31, 2022		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	1,114,644	104,578	1,219,222	1,335,998	103,186	1,439,184
Issue of 71,526,562 units (2022: 86,841,305 units)						
- Capital value	731,531	-	731,531	887,058	-	887,058
- Element of income	4,772	-	4,772	3,627	-	3,627
Total proceeds on issuance of units	736,303	-	736,303	890,685	-	890,685
Redemption of 58,468,829 units (2022: 137,191,064 units)						
- Capital value	(597,984)	-	(597,984)	(1,401,366)	-	(1,401,366)
- Element of loss	(1,063)	(2,680)	(3,743)	(154)	(13,091)	(13,245)
Total payments on redemption of units	(599,047)	(2,680)	(601,727)	(1,401,520)	(13,091)	(1,414,611)
Total comprehensive income for the period	-	138,397	138,397	-	87,881	87,881
Interim distributions made during the period:						
July 28, 2022: Re. 0.1030 (July 28, 2021: Re. 0.0489)	(26)	(10,505)	(10,531)	(22)	(6,809)	(6,831)
August 30, 2022: Re. 0.1341 (August 26, 2021: Re. 0.2519)	(129)	(13,504)	(13,633)	(4)	(23,031)	(23,035)
September 28, 2022: Re. 0.1199 (September 28, 2021: Re. 0.0611)	(352)	(12,733)	(13,085)	(280)	(5,569)	(5,849)
October 27, 2022: Re. 0.1192 (October 27, 2021: Re. 0.0514)	(1,087)	(13,097)	(14,184)	(93)	(4,844)	(4,937)
November 29, 2022: Re. 0.1301 (November 26, 2021: Re. 0.0541)	(391)	(16,224)	(16,615)	(53)	(4,861)	(4,914)
December 28, 2021: Re. 0.0782 (December 28, 2021: Re. 0.0782)	(58)	(14,657)	(14,715)	(997)	(6,720)	(7,717)
January 26, 2023: Re. 0.1277 (January 27, 2022: Re. 0.0821)	(725)	(15,663)	(16,388)	(1,665)	(8,334)	(9,999)
February 28, 2023: Re. 0.1478 (February 24, 2022: Re. 0.0728)	(712)	(18,241)	(18,953)	(265)	(6,143)	(6,408)
March 29, 2023: Re. 0.1484 (March 29, 2022: Re. 0.0886)	(114)	(19,255)	(19,369)	(73)	(7,470)	(7,543)
	(3,594)	(133,879)	(137,473)	(3,452)	(73,781)	(77,233)
Net assets at end of the period	1,248,306	106,416	1,354,722	821,711	104,195	925,906
Undistributed income brought forward						
- Realised income		104,578			102,815	
- Unrealised income		-			371	
		<u>104,578</u>			<u>103,186</u>	
Accounting income available for distribution						
- Relating to capital gain						
- Excluding capital gain						
		<u>135,717</u>			<u>74,790</u>	
Interim distributions made during the period:						
		(133,879)			(73,781)	
Undistributed income carried forward		<u>106,416</u>			<u>104,195</u>	
Undistributed income carried forward						
- Realised income		106,919			104,186	
- Unrealised (loss) / income		(503)			9	
		<u>106,416</u>			<u>104,195</u>	
Net assets value per unit at beginning of the period			(Rupees) <u>10.2274</u>			(Rupees) <u>10.2147</u>
Net assets value per unit at end of the period			<u>10.2421</u>			<u>10.2261</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months ended	
	March 31, 2023	March 31, 2022
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	138,397	87,881
Adjustments		
Net unrealised (appreciation) / diminution on re-measurement of investment classified as financial assets at fair value through profit or loss'	503	(9)
(Reversal) / provision for Sindh Workers' Welfare Fund	-	(25,954)
	<u>138,900</u>	<u>61,918</u>
Decrease / (increase) in assets		
Investments	<u>(1,286,856)</u>	574,869
Mark-up accrued	1,821	4,340
Advance and prepayment	(102)	227
	<u>(1,285,137)</u>	579,436
(Decrease) / Increase in liabilities		
Payable to the Management Company	<u>1,032</u>	(994)
Payable to the Trustee	59	(35)
Payable to Securities and Exchange Commission of Pakistan	(26)	(242)
Payable against purchase of investment	-	(574,723)
Accrued expenses and other liabilities	181	376
	<u>1,246</u>	<u>(575,618)</u>
Net cash (used in) / generated from operating activities	<u>(1,144,991)</u>	<u>65,736</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	<u>738,959</u>	885,884
Payments on redemption of units	(601,118)	(1,408,608)
Distribution paid	<u>(133,879)</u>	(73,781)
Net cash generated / (used in) from financing activities	<u>3,962</u>	<u>(596,505)</u>
Net (decrease) cash and cash equivalents during the period	<u>(1,141,029)</u>	<u>(530,769)</u>
Opening balance of cash and cash equivalents	1,250,836	1,501,997
Cash and cash equivalents at the end of the period	<u><u>109,807</u></u>	<u><u>971,228</u></u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Government Securities Liquid Fund (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 10 April 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

The investment objective of the Fund is to generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short term government securities.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed the asset manager rating of the Management Company of AM1 on June 22, 2022 (June 30, 2022: AM1). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of the systems and processes. Furthermore, PACRA has maintained the stability rating of the Fund to AAA(f) on September 28, 2022 (June 30, 2022: AAA(f) dated on March 29, 2022).

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

2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2023.

These condensed interim financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022.

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
------(Rupees in '000)-----			
4 BANK BALANCES			
Current accounts		26	26
Savings accounts	4.1	109,781	1,250,810
		109,807	1,250,836

4.1 These accounts carry rates of return ranging from 6.75% to 15.5% (30 June 2022: 6.5% to 18.28%) per annum.

5 INVESTMENTS

At fair value through profit or loss

Government securities - Market Treasury Bills	5.1	1,286,353	-
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5.1 Investment in government securities - 'at fair value through profit or loss'

Issue date	Tenor	Face value				Market Value as at March 31, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023			
-----Rupees in '000-----								
------(%)-----								

Market Treasury Bills

January 13, 2022	6 month	-	90,300	90,300	-	-	-	-
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Issue date	Tenor	Face value				Market Value as at March 31, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023			
		-----Rupees in '000-----					-----(%)-----	
January 27, 2022	6 month	-	1,040,500	1,040,500	-	-	-	-
March 10, 2022	6 month	-	1,040,000	1,040,000	-	-	-	-
April 21, 2022	3 month	-	207,520	207,520	-	-	-	-
June 2, 2022	3 month	-	1,040,000	1,040,000	-	-	-	-
June 30, 2022	3 month	-	1,040,000	1,040,000	-	-	-	-
July 14, 2022	3 month	-	1,115,000	1,115,000	-	-	-	-
July 28, 2022	3 month	-	1,115,000	1,115,000	-	-	-	-
August 11, 2022	3 month	-	1,115,000	1,115,000	-	-	-	-
August 25, 2022	3 month	-	1,175,000	1,175,000	-	-	-	-
September 8, 2022	3 month	-	155,000	155,000	-	-	-	-
September 22, 2022	3 month	-	1,075,000	1,075,000	-	-	-	-
October 6, 2022	3 month	-	1,094,500	1,094,500	-	-	-	-
October 20, 2022	3 month	-	1,119,400	1,119,400	-	-	-	-
November 17, 2022	3 month	-	1,220,000	1,220,000	-	-	-	-
March 29, 2023	3 month	-	40,000	40,000	-	-	-	-
March 9, 2023	3 month	-	1,200,000	1,200,000	-	-	-	-
February 9, 2023	3 month	-	1,120,000	1,120,000	-	-	-	-
January 12, 2023	3 month	-	1,119,400	1,119,400	-	-	-	-
April 20, 2023	3 month	-	1,300,000	-	1,300,000	1,286,353	94.95	100.00
		-	18,421,620	17,121,620	1,300,000	1,286,353	94.95	100.00

Carrying Value before fair value adjustment as at March 31, 2023

1,286,856

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

7 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.70% per annum of the net assets of the Fund.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2023 is 1.11% (2022: 1.10%) which includes 0.05% (2022: 0.05%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.0% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'money market scheme'.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

10.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes, Voluntary Pension 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.

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

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

10.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

10.5 Details of the transactions with connected persons are as follows:

	----- (Unaudited) ----- Nine months ended	
	March 31, 2023	March 31, 2022
	----- Rupees in '000 -----	
NBP Fund Management Company Limited - Management Company		
Remuneration of the Management Company	1,827	1,625
Sindh sales tax on remuneration of the Management Company	238	211
Reimbursement of operational expenses to the Management Company	1,138	997
Reimbursement of selling and marketing expenses	4,717	3,987
Sales load including Sindh Sales Tax	254	239
ADC charges	35	8
National Bank of Pakistan (Parent of the Management Company)		
T-Bills purchased during the period	-	1,452,852
Bank profit earned by the fund on deposit in saving account	45	29
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	501	469
Sindh sales tax on remuneration of Trustee	65	61
Employees of the Management Company		
Dividend reinvested: 34,823 units (March 31, 2022: 20,709 units)	356	212
Units issued: 1,575,552 units (March 31, 2022: 26,751 units)	16,195	274
Units redeemed: 1,460,110 units (March 31, 2022: 58,927 units)	15,139	605

	----- (Unaudited) ----- Nine months ended	
	March 31, 2023	March 31, 2022
	----- Rupees in '000 -----	
NBP Employees Pension Fund (Subsidiary of the parent company)		
Dividend reinvested: 3,340,060 units (March 31, 2022: 1,887,029 units)	34,175	19,280
Units issued: 1,234 units (March 31, 2022: 36,740 units)	-	372
Fauji Fertilizer Company Limited (Common directorship)		
Dividend reinvested: 13 units (March 31, 2022: Nil units)	-	-
Units redeemed: 457 units (March 31, 2022: Nil units)	5	-
Portfolios managed by the Management Company		
Units issued: 31,971 units (March 31, 2022: Nil units)	327	-
Units redeemed: Nil units (March 31, 2022: 14,509,272 units)	148,658	-
National Communications Services SMC Private Limited Employees Contributory Provident Fund* Trust (Unit holder of 10% or more of units of the CIS)		
Dividend reinvested: 1,290,763 units (March 31, 2022: Nil units)	13,207	-
Units issued: 8,832,823 units (March 31, 2022: Nil units)	91,104	-

10.6 Amounts outstanding as at period / year end

	(Unaudited) As at March 31, 2023	(Audited) As at June 30, 2022
	----- Rupees in '000 -----	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	235	172
Sindh Sales Tax on remuneration of the Management Company	31	22
Reimbursement of operational expenses to the Management Company	410	301
Federal excise duty on remuneration of the Management Company	45,777	45,777
Reimbursement of selling and marketing expenses	1,803	1,205
Sales load including Sindh Sales Tax	418	164
ADC charges	12	13
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	99	47
Sindh Sales Tax on remuneration of the Trustee	13	6
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	1,006	919
Mark up receivable	2	41
BankIslami Pakistan Limited (Related Party)		
Bank balance	35	-
Employees of the Management Company		
Investment held in the Fund: 491,901 units (June 30, 2021: 331,635 units)	5,038	3,494
NBP Employees Pension Fund - (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: 31,514,303 units (June 30, 2022: 28,173,009 units)	322,773	288,137
Muhammad Murtaza Ali (Company Secretary and Chief Operating Officer)		
Investment held in the Fund: 2 units (June 30, 2022: Nil units)	-	-

	(Unaudited) As at March 31, 2023	(Audited) As at June 30,2022
	----- Rupees in '000 -----	

National Communications Services SMC Private Limited Employees Contributory Provident Fund
Trust (Unit holder of 10% or more of units of the CIS)**

Investment held in the Fund: 16,149,450 units (June 30,2022: Nil units)	165,404	-
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Fauji Fertilizer Company Limited- (Common Directorship)

Investment held in the Fund: 432 units (June 30,2021: 405 units)	4	5
--	---	---

* Current period transactions / balances with these parties have not been disclosed as they did not remain connected persons and related parties during / as at period end.

** Prior period transactions/ balances with these parties have not been disclosed as they were not connected persons and related parties during prior period.

11 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.

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.

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.

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).

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 29, 2023.

13 GENERAL

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

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant changes or reclassifications were made in this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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