



*Managing Your Savings*

**NBP Fund Management Limited**



# **NBP GOVERNMENT SECURITIES SAVINGS 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

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

## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

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

## **Lahore Office:**

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

## **Islamabad Office:**

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

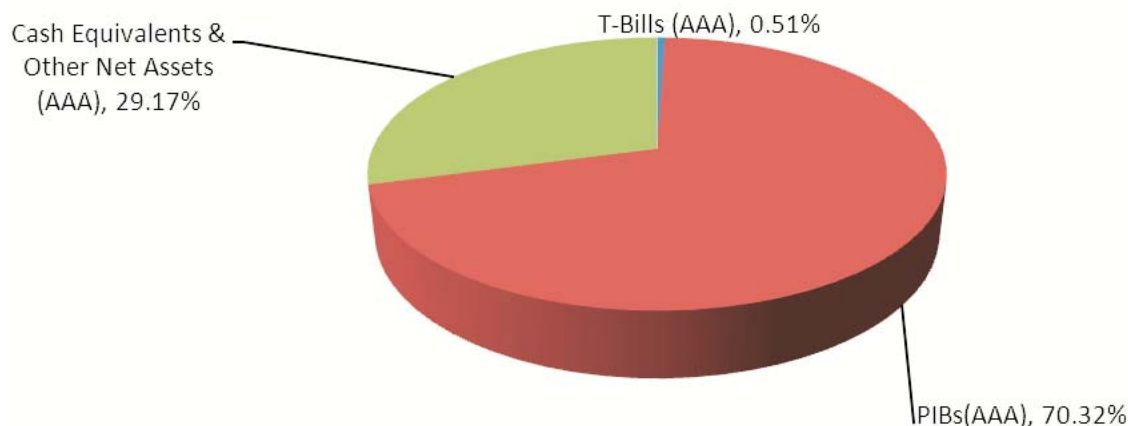
The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Government Securities Savings Fund (NGSSF)** for the period ended March 31, 2023.

### 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. Similarly, PIB yields increased by 4.8%, 2.3% and 2.1% for 3-year, 5-year and 10-year tenure, however, there was no market interest in 10-year bond due to the rising interest rate scenario. There were nine (9) PIB auctions held where an amount of around Rs. 969 billion was realized.

The size of NBP Government Securities Savings Fund increased from Rs. 138 million to Rs. 2,939 million during the period (a manifold increase of 2024%). During the period, the unit price of the Fund has increased from Rs. 10.4090 on June 30, 2022 to Rs. 11.5867 on March 31, 2023, thus showing return of 15.1% as compared to the benchmark return of 16.9% for the same period. The performance of the Fund is net of management fee and all other expenses. The Fund has been assigned a stability rating of 'AA- (f)' by PACRA.

The Fund has earned a total income of Rs. 53.505 million during the period. After deducting total expenses of Rs. 4.732 million, the net income is Rs. 48.773 million. The asset allocation of NGSSF as on March 31, 2023 is as follows:



## Acknowledgement

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

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

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

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**Chief Executive Officer**

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**Director**

Date: April 29, 2023  
Place: Karachi.

## ڈائریکٹرز رپورٹ

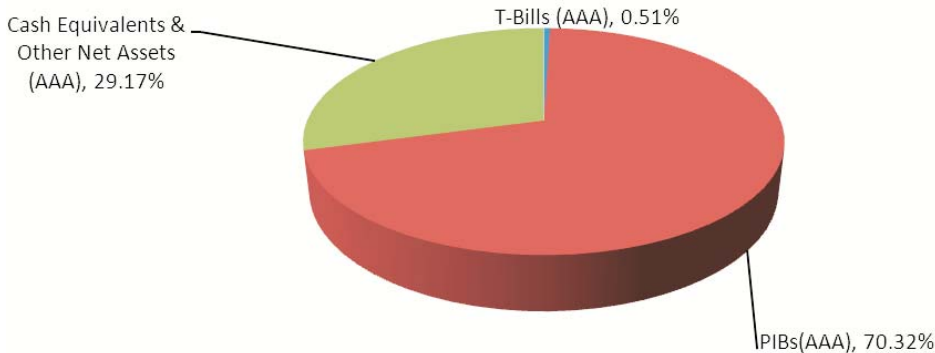
NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2023ء کو ختم ہونے والی نو ماہی کے لئے NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

9MFY23 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری 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 زر مبادلہ 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۔ 3-6 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۔ اسی طرح، 3 سالہ، 5 سالہ اور 10 سالہ مدت کے لیے PIB کے منافع میں بالترتیب 4.8 فیصد، 2.3 فیصد اور 2.1 فیصد کا اضافہ ہوا، تاہم، شرح سود کے بڑھتے ہوئے تناظر میں 10 سالہ بانڈ میں کسی مارکیٹ نے دلچسپی نہیں دیکھائی۔ نو (9) پی آئی بی کی نیلامیاں منعقد ہوئیں جہاں تقریباً 969 بلین روپے کی رقم وصولی ہوئی۔

موجودہ مدت کے دوران NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) کا فنڈ سائز 138 بلین روپے سے بڑھ کر 2,939 بلین روپے ہو گیا (یعنی 2024% کا کئی گنا اضافہ)۔ موجودہ مدت کے دوران، فنڈ کے پورٹ فولیو کی قیمت 30 جون 2022 کو 10,4090 روپے سے بڑھ کر 31 مارچ 2023 کو 11,5867 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 16.9% کے مقابلے میں 15.1% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کے ذریعے AA-(f) کی مستحکم درجہ بندی تفویض کی گئی ہے۔

فنڈ نے موجودہ مدت کے دوران 53,505 بلین روپے کی مجموعی آمدنی کمائی۔ 4,732 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 48,773 بلین روپے ہے۔ 31 مارچ 2023 کو NGSSF فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:







## اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر ریونٹ 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 ڈسٹی 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 مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 اپریل 2023

مقام: کراچی

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

		Unaudited 31 March 2023	Audited 30 June 2022
	Note	------(Rupees in '000)-----	
<b>Assets</b>			
Bank balances		813,630	45,832
Investments	4	2,081,443	98,269
Profit receivable		51,849	1,453
Deposit, prepayment and other receivables		892	874
<b>Total assets</b>		2,947,814	146,428
<b>Liabilities</b>			
Payable to NBP Funds Management Limited - Management Company		8,261	5,872
Payable to Central Depository Company of Pakistan Limited - Trustee		114	7
Payable to the Securities and Exchange Commission of Pakistan		62	34
Accrued expenses and other liabilities		682	2,191
<b>Total liabilities</b>		9,119	8,104
<b>Net assets</b>		2,938,695	138,324
<b>Unit holders' fund (as per statement attached)</b>		2,938,695	138,324
<b>Contingencies and commitments</b>			
	5	------(Number of units)-----	
<b>Number of units in issue</b>		253,626,647	13,288,874
		(Rupees)	
<b>Net assets value per unit</b>		11.5867	10.4090

The annexed notes 1 to 12 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 31 MARCH 2023

	Nine Months Ended		Quarter Ended	
	March 31 2023	March 31 2022	March 31 2023	March 31 2022
	Note ----- (Rupees in '000) -----			
<b>Income</b>				
Income on government securities	41,897	8,183	33,688	2,783
Profit on bank deposits	16,567	4,006	13,742	1,287
Loss on sale of investments - net	(4)	(888)	(1)	-
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(4,955)	(281)	(4,811)	(147)
<b>Total income</b>	<b>53,505</b>	<b>11,020</b>	<b>42,618</b>	<b>3,923</b>
<b>Expenses</b>				
Remuneration of NBP Funds Management Limited - Management Company	801	276	650	76
Sindh Sales Tax on remuneration to Management Company	104	36	84	10
Reimbursement of selling and marketing expenses	2,294	946	1,817	266
Remuneration of Central Depository Company of Pakistan Limited Pakistan Limited - Trustee	172	80	134	21
Sindh Sales Tax on remuneration to Trustee	22	10	17	2
Annual fee - Securities and Exchange Commission of Pakistan	62	27	48	8
Reimbursement of operational expenses to the Management Company	420	169	335	48
Auditors' remuneration	497	384	156	109
Securities transaction cost	23	10	22	-
Settlement and bank charges	20	54	9	6
Listing fee	23	19	9	5
Legal & Professional charges	128	220	54	63
Mutual fund rating fee	130	291	44	90
Printing and other charges	36	51	5	2
<b>Total expenses</b>	<b>4,732</b>	<b>2,573</b>	<b>3,384</b>	<b>706</b>
<b>Net income from operating activities</b>	<b>48,773</b>	<b>8,447</b>	<b>39,234</b>	<b>3,217</b>
Reversal of Provision against Sindh Workers' Welfare Fund - net	-	4,681	-	-
<b>Net income for the period before taxation</b>	<b>48,773</b>	<b>13,128</b>	<b>39,234</b>	<b>3,217</b>
Taxation	-	-	-	-
<b>Net income for the period</b>	<b>48,773</b>	<b>13,128</b>	<b>39,234</b>	<b>3,217</b>
<b>Allocation of net income for the period</b>				
Net income for the period	48,773	13,128	39,234	3,216
Income already paid on units redeemed	(4,348)	(3,299)	(3,943)	(2,751)
	<b>44,425</b>	<b>9,829</b>	<b>35,291</b>	<b>465</b>
<b>Accounting income available for distribution:</b>				
-Relating to capital gains	-	-	-	-
-Excluding capital gains	44,425	9,829	35,291	465
	<b>44,425</b>	<b>9,829</b>	<b>35,291</b>	<b>465</b>

The annexed notes 1 to 12 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 31 MARCH 2023

	Nine Months Ended		Quarter Ended	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net income for the period	<b>48,773</b>	13,128	<b>3,216</b>	3,216
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>48,773</u></b>	<b><u>13,128</u></b>	<b><u>3,216</u></b>	<b><u>3,216</u></b>

The annexed notes 1 to 12 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 31 MARCH 2023

	Nine Months Ended March 31 2023			Nine Months Ended March 31 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	95,984	42,340	138,324	170,323	42,214	212,537
Issuance of 272,448,215 units (2022: 7,025,025 units)						
- Capital value	2,835,913	-	2,835,913	73,054	-	73,054
- Element of income	283,896	-	283,896	3,450	-	3,450
Total proceeds on issuance of units	3,119,809	-	3,119,809	76,504	-	76,503
Redemption of 32,110,441 units (2022: 13,376,130 units)						
- Capital value	(334,238)	-	(334,238)	(139,100)	-	(139,100)
- Element of loss	(29,625)	(4,348)	(33,973)	(2,484)	(3,299)	(5,783)
Total payments on redemption of units	(363,863)	(4,348)	(368,211)	(141,584)	(3,299)	(144,883)
Total comprehensive income for the period	-	48,773	48,773	-	13,128	13,128
Net assets at end of the period	2,851,930	86,765	2,938,695	105,243	52,043	157,285
Undistributed income brought forward						
- Realised		42,794			42,641	
- Unrealised		(454)			(427)	
		42,340			42,214	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		44,425			9,829	
		44,425			9,829	
Undistributed income carried forward		86,765			52,043	
Undistributed income carried forward						
- Realised		91,720			52,324	
- Unrealised		(4,955)			(281)	
		86,765			52,043	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			10.4090			10.3991
Net assets value per unit at end of the period			11.5867			11.1653

The annexed notes 1 to 12 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 31 MARCH 2023

	Nine Months Ended March 31,	
	2023	2022
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	48,773	13,128
<b>Adjustments:</b>		
Realized loss on sale of investments - net	4	888
Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	4,955	281
Reversal of provision against Sindh Workers' Welfare Fund - net	-	(4,681)
	53,732	9,616
<b>Decrease / (Increase) in assets</b>		
Investments - net	(1,988,133)	77,595
Profit receivable	(50,396)	2,267
Deposits and prepayment	(18)	192
	(2,038,547)	80,054
<b>Decrease / (Increase) in liabilities</b>		
Payable to the Management Company	2,389	(10)
Payable to the Trustee	107	(6)
Payable to the Securities and Exchange Commission of Pakistan	28	(31)
Payable against purchase of investments	-	(108,832)
Accrued expenses and other liabilities	(1,509)	(1,444)
	1,015	(110,323)
<b>Net cash (used) from operating activities</b>	(1,983,800)	(20,653)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received on issue of units	3,119,809	76,503
Payments against redemption of units	(368,211)	(147,883)
<b>Net cash generated/ (used in) from financing activities</b>	2,751,599	(71,379)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	767,798	(92,032)
Cash and cash equivalents at beginning of the period	45,832	141,405
<b>Cash and cash equivalents at end of the period</b>	813,630	49,373

The annexed notes 1 to 12 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 31 MARCH 2023

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at and for the period ended 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.
- 3.2** 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 expenses and other factors. 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 audited financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2022.

### 4 INVESTMENTS

Financial assets 'at fair value through profit or loss'	Note	31 March 2023	30 June 2022
		Unaudited (Rupees in '000)	Audited
<b>Government Securities</b>			
Pakistan Investment Bonds	4.1	2,066,600	49,600
Market Treasury Bills	4.2	14,843	48,669
		<u>2,081,443</u>	<u>98,269</u>



## 4.1 Government Securities - Pakistan Investment Bonds

Issue date	Tenor in years	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 01, 2022	Purchased during the period	Sold during the period	As at March 31, 2023			
----- (Rupees in 000) -----								
November 17, 2022	5	-	10,000	-	10,000	9,488	0.32	0.46
September 8, 2022	2	-	10,000	-	10,000	9,882	0.34	0.47
October 22, 2020	3	50,000	-	-	50,000	49,270	1.68	2.37
February 9, 2023	2	-	25,000	-	25,000	24,620	0.84	1.18
February 9, 2023	2	-	520,000	-	520,000	512,096	17.43	24.60
February 9, 2023	2	-	180,000	-	180,000	177,264	6.03	8.52
February 9, 2023	2	-	100,000	-	100,000	98,480	3.35	4.73
February 9, 2023	2	-	100,000	-	100,000	98,480	3.35	4.73
September 8, 2022	2	-	800,000	-	800,000	790,560	26.90	37.98
September 8, 2022	2	-	75,000	-	75,000	74,115	2.52	3.56
September 8, 2022	2	-	225,000	-	225,000	222,345	7.57	10.68
<b>Total</b>		<b>50,000</b>	<b>2,045,000</b>	<b>-</b>	<b>2,095,000</b>	<b>2,066,600</b>		
Carrying value as at March 31, 2023 (Un-audited)						<b>2,071,535</b>		
Market value as at June 30, 2022 (Audited)						<b>49,600</b>		
Carrying value as at June 30, 2022 (Audited)						<b>49,777</b>		

4.1.1 This carry rate of return ranging from 15.73% to 20.97% (2022: 10.37%) per annum.

## 4.2 Government Securities - Market Treasury Bills

Issue date	Tenor in years	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 01, 2022	Purchased during the period	Sold during the period	As at March 31, 2023			
----- (Rupees in 000) -----								
November 3, 2022	3	-	15,000	-	15,000	14,843	0.51	0.71
November 17, 2022	3	-	25,000	25,000	-	-	-	-
January 13, 2022	6	-	15,000	15,000	-	-	-	-
January 27, 2022	3	-	15,000	15,000	-	-	-	-
February 10, 2022	3	-	10,000	10,000	-	-	-	-
June 30, 2022	3	-	50,000	50,000	-	-	-	-
July 14, 2022	6	-	50,000	50,000	-	-	-	-
July 28, 2022	6	-	50,000	50,000	-	-	-	-
August 11, 2022	3	-	50,000	50,000	-	-	-	-
August 25, 2022	3	-	35,000	35,000	-	-	-	-
March 10, 2022	3	50,000	-	50,000	-	-	-	-
<b>Total</b>		<b>50,000</b>	<b>315,000</b>	<b>350,000</b>	<b>15,000</b>	<b>14,843</b>		
Carrying value as at March 31, 2023 (Un-audited)						<b>14,866</b>		
Market value as at June 30, 2022 (Audited)						<b>48,669</b>		
Carrying value as at June 30, 2022 (Audited)						<b>48,946</b>		

4.2.1 These carry rate of return ranging of 20.38% (2022: 10.77% to 12.30%) per annum.

## 5 CONTINGENCIES AND COMMITMENTS

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

## 6 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 0.77% per annum of the net assets of the Fund.

## 7 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 as cash dividend. 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, 2023 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.

## 8 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.48% (March 31, 2022: 1.91%) which includes 0.06% (March 31, 2022: 0.06%) representing Government Levy, and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

## 9 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

- 9.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 9.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

	(Unaudited)	
	Nine months ended	
	31 March 2023	31 March 2022
	(Rupees in '000)	
<b>NBP Fund Management Limited - Management company</b>		
Remuneration of the Management Company	801	276
Sindh Sales Tax on remuneration of Management Company	104	36
Reimbursement of operational expenses to the Management Company	420	169
Sales load and transfer load including sales tax	3	631
Reimbursement of selling and marketing expenses	2,294	946
ADC charges payable including sindh sales tax	2	-
<b>National Fullerton Asset Management Limited - Employees Provident Fund *</b>		
Units Issued: 1,561,306 units (31 March 2022: Nil units)	17,812	-
<b>Employees of the Management Company</b>		
Units Issued: 104,556 units (31 March 2022: 29,501 units)	1,158	320
Units redeemed: 117,258 units (31 March 2022: 62,221 units)	1,302	688
<b>Portfolio Managed by The Management Company *</b>		
Units Issued: 89,026,381 units (31 March 2022: Nil units)	1,019,584	-
Units redeemed: 2,940,151 units (31 March 2022: Nil units)	33,546	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	172	80
Sindh Sales Tax on remuneration of Trustee	22	10
<b>National Bank of Pakistan - Parent of the Management Company</b>		
Purchases of Market Treasury Bills	-	31,607
Purchases of PIB	-	-
Profit on Bank Deposits	2	8
<b>Khushhali Bank Limited **</b>		
Profit on Bank Deposits	-	10
<b>Bank Islami Pakistan Limited</b>		
Profit on Bank Deposits	11	30
<b>NBP Financial Sector Income Fund</b>		
Sell of PIB	-	35,787
<b>Interloop Dairies Limited - Unit holder with 10% or more holding *</b>		
Units Issued: 49,150,800 units (31 March 2022: Nil units)	564,217	-
<b>Interloop Holdings (pvt) Limited - Unit holder with 10% or more holding *</b>		
Units Issued: 29,470,827 units (31 March 2022: Nil units)	338,304	-
<b>Abbott Laboratories Pakistan Limited Staff Pension Fund - Unit holder with 10% or more holding *</b>		
Units Issued: 40,798,877 units (31 March 2022: Nil units)	468,060	-

9.7 Amounts outstanding as at period / year end:	Unaudited 31 March 2023	Audited 30 June 2022
	------(Rupees in '000)-----	
<b>NBP Fund Management Limited - Management company</b>		
Management remuneration payable	507	24
Sindh Sales Tax payable on management remuneration	66	3
Federal excise duty on remuneration of the Management Company	1,865	1,865
Federal excise duty on sales load	371	371
Sales load and transfer load payable	2,850	2,848
Sindh Sales Tax on sales load	391	390
Reimbursement of operational expenses to the Management Company	335	47
Other payable	45	45
Reimbursement of Selling and Marketing Expenses	1,817	262
ADC charges payable including sindh sales tax	14	17
<b>Employees of the Management Company</b>		
Units held: Nil units (30 June 2022: 12,283 units)	-	132
<b>National Fullerton Asset Management Limited - Employees Provident Fund *</b>		
Units held: 1,561,306 units (30 June 2022: Nil units)	18,090	-
<b>Portfolio Managed by Management Company *</b>		
Units held: 86,086,231 units (30 June 2022: Nil units)	997,454	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	101	7
Sindh Sales Tax payable on Trustee fee	13	1
Security deposit	102	102
<b>Franey N. Irani - unit holder with 10% or more holding**</b>		
Units held: Nil units (June 30, 2022: 2,496,836 units)	-	25,990
<b>National Bank of Pakistan - Parent of the Management Company</b>		
Bank balances	6	89
Profit receivable	-	1
<b>Telenor Microfinance Bank Limited - common directorship</b>		
Bank balances	86	84
Profit receivable	-	1
<b>Khushhali Bank Limited **</b>		
Bank balances	-	50
Profit receivable	-	2
<b>Bank Islami Pakistan Limited</b>		
Balance in saving account	2,791	556
Profit receivable	3	-
<b>ASML Employees Provident Fund Trust **</b>		
Units held: Nil units (June 30, 2022: 2,090,006 units)	-	23,336
<b>Interloop Dairies Limited - Unit holder with 10% or more holding *</b>		
Units held: 49,150,800 units (June 30, 2022: Nil)	569,496	-
<b>Interloop Holdings (pvt) Limited - Unit holder with 10% or more holding *</b>		
Units held: 29,470,827 units (June 30, 2022: Nil)	341,470	-
<b>Abbott Laboratories Pakistan Limited Staff Pension Fund - unit holder with 10% or more holding *</b>		
Units held: 40,798,877 units (June 30, 2022: Nil)	472,724	-

\* Current year figure has not been presented as the person is not classified as a related party / connected person of the fund as at March 31, 2023

\*\* Prior year comparative has not been presented as the person was not related party / connected person of the fund as at June 30, 2022

## 10 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing at the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 10.1 Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

## 11 GENERAL

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

## 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.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## Head Office

7th Floor, Clifton Diamond Building, Block No.4,  
Scheme No.5, Clifton, Karachi.

**UAN:** 021-111-111-632

**Toll Free:** 0800-20002

**Sms:** INVEST to 9995

**Fax:** 021-35825335

**Email:** [info@nbpfunds.com](mailto:info@nbpfunds.com)

**Website:** [www.nbpfunds.com](http://www.nbpfunds.com)

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