



*Managing Your Savings*

**NBP Fund Management Limited**



# **NBP MUSTAHKAM FUND-NFTMP-III**

**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 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](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  
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 Mustahkam Fund - NBP Fixed Term Munafa Plan - I (NFTMP-I)** for the period ended March 31, 2023 and **NBP Fixed Term Munafa Plan - III (NFTMP-III)** for the period ended March 31, 2023 respectively.

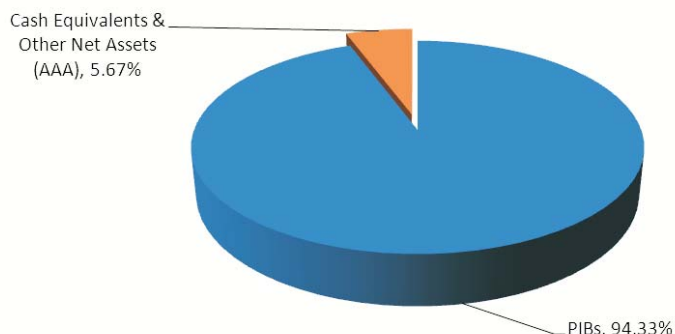
### NBP Mustahkam Fund - NBP Fixed Term Munafa Plan - I (NFTMP-I)

#### 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 fund NBP Mustahkam Fund - NBP Fixed Term Munafa Plan - I was launched on March 21, 2023 and closed at Rs. 9,924 million on March 31, 2023. During the period, the unit price of the Fund has increased from Rs. 10.0000 (Ex-Div) since inception to Rs. 10.0491, thus showing return of 17.9% as compared to the benchmark return of 21.0%. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 52.79 million during the period. After deducting total expenses of Rs. 4.28 million, the net income is Rs. 48.51 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NFTMP-I.



### NBP MUSTAHKAM FUND - NBP FIXED TERM MUNAFA PLAN - III (NFTMP-III)

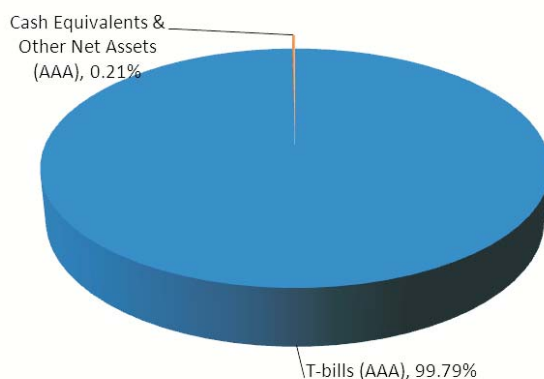
#### Fund's Performance

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 fund NBP Mustahkam Fund - NBP Fixed Term Munafa Plan - III was launched on November 15, 2022 and closed at Rs. 1,991 million on March 31, 2023. During the period, the unit price of the Fund has increased from Rs. 9.9788 (Ex-Div) since inception to Rs. 10.1688, thus showing return of 5.1% as compared to the benchmark return of 15.72%. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 42.687 million during the period. After deducting total expenses of Rs. 5.500 million, the net income is Rs. 37.187 million. The asset allocation of NFTMP-III as on March 31, 2023 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 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

\_\_\_\_\_  
Director

Date: April 29, 2023  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت بالترتیب 31 مارچ 2023ء کو ختم ہونے والی مدت کے لئے NBP مستحکم فنڈ- NBP فکسڈ ٹرم منافع پلان-I (NFTMP-I) اور 31 مارچ 2023ء کو ختم ہونے والی مدت کے لئے NBP فکسڈ ٹرم منافع پلان-III (NFTMP-III) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

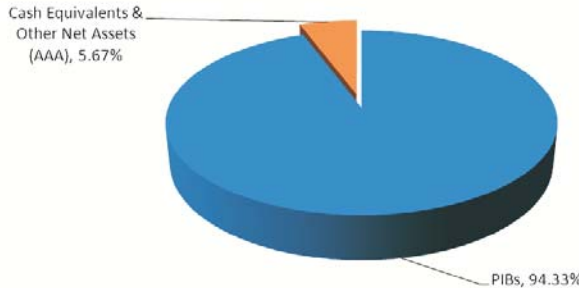
### NBP مستحکم فنڈ- NBP فکسڈ ٹرم منافع پلان-I (NFTMP-I)

#### فنڈ کی کارکردگی

9MFY23 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چھ اجلاس منعقد کیے اور پالیسی 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 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 کیا۔ 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۔ 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۔

21 مارچ 2023 کو NBP مستحکم فنڈ- NBP فکسڈ ٹرم منافع پلان-I کا آغاز ہوا اور 31 مارچ 2023 کو 9,924 بلین روپے پر بند ہوا۔ زیر جائزہ مدت کے دوران، اپنے آغاز سے فنڈ کے پونٹ کی قیمت (Ex-Div) 10,000 روپے سے بڑھ کر 10,0491 روپے ہو گئی۔ لہذا اس مدت کے دوران فنڈ نے اپنے بیج مارک 21.0% کے مقابلے میں 17.9% منافع درج کیا ہے۔ فنڈ کی یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 52.79 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 4.28 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 48.51 بلین روپے ہے۔ مندرجہ ذیل چارٹ NFTMP-I کی ایسٹیلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی یہائس شدہ اوسط کرڈٹ ریٹنگ پیش کرتا ہے:



### NBP مستحکم فنڈ- NBP فکسڈ ٹرم منافع پلان-III (NFTMP-III)

#### فنڈ کی کارکردگی

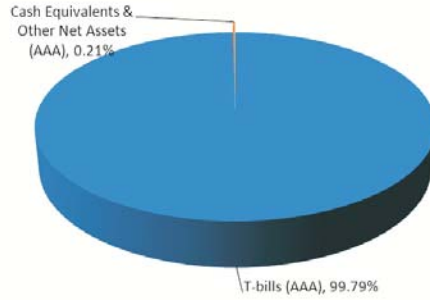
9MFY23 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چھ اجلاس منعقد کیے اور پالیسی ریٹ میں 6.25% سے 20% تک کا اضافہ کیا۔ مختلف سخت انتظامی اقدامات اٹھائے گئے، تاہم، بیرونی اور مالیاتی ایڈجسٹمنٹ سے افراط زر کے نقطہ نظر کے لیے قریبی مدت کے خطرات برقرار رہے۔ مالیاتی بہاؤ میں کمی، 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 استحکام اور مالی استحکام کے لیے سنگین چیلنجز اور مستقل خطرات کا باعث ہیں۔ سوریجن شرح منافع نے بھی ان پالیسی اقدامات اور بڑھتی ہوئی افراط زر اور شرح سود کے نقطہ نظر کا جواب دیا۔ 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%، 6.0% اور 5.9% 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 منظر نامے کی وجہ سے 10 سالہ بانڈ میں کوئی مارکیٹ دلچسپی نہیں تھی۔ نو (9) پی آئی بی کی نیلامیاں منعقد ہوئیں جہاں تقریباً 969 ملین روپے کی رقم وصولی ہوئی۔

15 نومبر 2022 کو NBP مستحکم فنڈ - NBP فکسڈ ٹرم منافع پلان - III کا آغاز ہوا اور 31 مارچ 2023 کو 1,991 ملین روپے پر بند ہوا۔ زیر جائزہ مدت کے دوران، اپنے آغاز سے فنڈ کے پونٹ کی قیمت (Ex-Div) 9.9788 روپے سے بڑھ کر 10.1688 روپے ہو گئی۔ لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک %15.72 کے مقابلے میں %5.1 منافع درج کیا ہے۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 42.687 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 5.500 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 37.187 ملین روپے ہے۔ 31 مارچ 2023 کو NFTMP-III کی ایسٹ ایلوکیشن حسب ذیل ہے:



## آمدنی کی تقسیم

منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 15 نومبر 2022 سے 31 مارچ 2023 تک مدت کے دوران 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 منجمنٹ 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 رٹرنی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

مخائب بورڈ آف ڈائریکٹرز  
NBP فنڈ منجمنٹ لمیٹڈ

ڈائریکٹرز

چیف ایگزیکٹو آفیسر

تاریخ: 29 اپریل 2023

مقام: کراچی

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

		March 31, 2023		
		----- Rupees in 000 -----		
Note		NFTMP-I	NFTMP-III	Total
<b>Assets</b>				
	Bank balances	94,806	6,635	101,441
	Investments	9,361,300	1,986,523	11,347,823
4	Profit receivables	471,923	523	472,446
	Advance, deposits and prepayment	-	111	111
	Preliminary expenses and floatation cost	178	125	303
	<b>Total assets</b>	<b>9,928,207</b>	<b>1,993,917</b>	<b>11,922,124</b>
<b>Liabilities</b>				
	Payable to NBP Fund Management Limited - Management Company	4,078	2,665	6,743
	Payable to Central Depository Company of Pakistan Limited - Trustee	168	104	272
	Payable to Securities and Exchange Commission of Pakistan	54	146	200
	Accrued expenses and other liabilities	164	363	527
	<b>Total liabilities</b>	<b>4,464</b>	<b>3,278</b>	<b>7,742</b>
	<b>Net assets</b>	<b>9,923,743</b>	<b>1,990,639</b>	<b>11,914,382</b>
	<b>Unit holders' fund (as per statement attached)</b>	<b>9,923,743</b>	<b>1,990,639</b>	<b>11,914,382</b>
	<b>Contingency and commitment</b>	-	-	-
		(Number of units)		
	<b>Number of units in issue</b>	<b>987,525,977</b>	<b>195,759,261</b>	
		(Rupees)		
	<b>Net assets value per unit</b>	<b>10.0491</b>	<b>10.1688</b>	

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE PERIOD FROM 15 NOVEMBER TO 31 MARCH 2023

	For the period from 15 November to March 31,2023			Three months period ended on March 31,2023		
	From 21 March To March 31, 2023	From 15 November To March 31, 2023	Total for the period From 15 November To March 31, 2023	From 21 March To March 31, 2023	Three months period ended on March 31,2023	Total for Three months period ended on March 31,2023
	Rupees in 000					
<b>Income</b>	<b>NFTMP-I</b>	<b>NFTMP-III</b>	<b>Total</b>	<b>NFTMP-I</b>	<b>NFTMP-III</b>	<b>Total</b>
Income from government securities	56,311	113,031	169,342	56,311	75,377	131,688
Profit on bank deposits	6,007	1,518	7,525	6,007	253	6,260
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(9,532)	(71,862)	(81,394)	(9,532)	(47,734)	(57,266)
<b>Total income</b>	<b>52,786</b>	<b>42,687</b>	<b>95,473</b>	<b>52,786</b>	<b>27,896</b>	<b>80,682</b>
<b>Expenses</b>						
Remuneration of NBP Fund Management Limited - Management Company	2,111	1,101	3,212	2,111	731	2,842
Sindh Sales Tax on remuneration of the Management Company	274	143	417	274	95	369
Remuneration to Central Depository Company of Pakistan Limited - Trustee	149	404	553	149	268	417
Sindh Sales Tax on remuneration of Trustee	19	53	72	19	35	54
Annual fee - Securities and Exchange Commission of Pakistan	54	147	201	54	98	152
Reimbursement of operational expenses to the Management Company	407	939	1,346	407	631	1,038
Reimbursement of selling and marketing expenses	1,086	2,322	3,408	1,086	1,534	2,620
Auditors' remuneration	17	195	212	17	129	146
Securities transaction cost	133	-	133	133	-	133
Settlement and bank charges	2	24	26	2	10	12
Listing fee	2	5	7	2	3	5
Legal and professional charges	6	70	76	6	51	57
Amortisation of preliminary and floatation cost	22	75	97	22	50	72
Printing and other charges	2	22	24	2	15	17
<b>Total expenses</b>	<b>4,284</b>	<b>5,500</b>	<b>9,784</b>	<b>4,284</b>	<b>3,650</b>	<b>7,934</b>
<b>Net income from operating activities</b>	<b>48,502</b>	<b>37,187</b>	<b>85,689</b>	<b>48,502</b>	<b>24,246</b>	<b>72,748</b>
<b>Net income for the period before taxation</b>	<b>48,502</b>	<b>37,187</b>	<b>85,689</b>	<b>48,502</b>	<b>24,246</b>	<b>72,748</b>
Taxation	-	-	-	-	-	-
<b>Net income for the period</b>	<b>48,502</b>	<b>37,187</b>	<b>85,689</b>	<b>48,502</b>	<b>24,246</b>	<b>72,748</b>
<b>Allocation of Net income for the period:</b>						
Net income for the period	48,502	37,187	85,689	48,502	24,246	72,748
Income already paid on units redeemed	(18)	-	-	(18)	-	-
<b>Accounting income available for distribution</b>	<b>48,484</b>	<b>37,187</b>	<b>85,689</b>	<b>48,484</b>	<b>24,246</b>	<b>72,748</b>
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	48,484	37,187	85,689	48,484	24,246	72,748
	<b>48,484</b>	<b>37,187</b>	<b>85,689</b>	<b>48,484</b>	<b>24,246</b>	<b>72,748</b>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD FROM 15 NOVEMBER TO 31 MARCH 2023

	For the period from 15 November to March 31, 2023			Three months period ended on March 31, 2023		
	From 21 March To March 31, 2023	From 15 November To March 31, 2023	Total for the period From 15 November To March 31, 2023	From 21 March To March 31, 2023	Three months period ended on March 31, 2023	Total for Three months period ended on March 31, 2023
	----- Rupees in 000 -----					
	NFTMP-I	NFTMP-III	Total	NFTMP-I	NFTMP-III	Total
Net income for the period	48,502	37,187	85,689	48,502	24,246	72,748
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>48,502</b>	<b>37,187</b>	<b>85,689</b>	<b>48,502</b>	<b>24,246</b>	<b>72,748</b>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE PERIOD FROM 15 NOVEMBER TO 31 MARCH 2023

	From 21 March To March 31, 2023			From 15 November To March 31, 2023		
	Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed (loss) / income	Total
----- Rupees in '000 -----						
	NFTMP-I			NFTMP-III		
Net assets at beginning of the period	-	-	-	-	-	-
Issue of 989,533,770 NFTMP-I units 195,759,261 NFTMP-III units						
- Capital value	9,895,337	-	9,895,337	1,957,593	-	1,957,593
- Element of income	-	-	-	1	-	1
Total proceeds on issuance of units	9,895,337	-	9,895,337	1,957,594	-	1,957,594
Redemption of 2,007,793 units						
- Capital value	(20,078)	-	(20,078)	-	-	-
- Element of income / (loss)	-	(18)	(18)	-	-	-
Total payments on redemption of units	(20,078)	(18)	(20,096)	-	-	-
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	-	48,502	48,502	-	37,187	37,187
<b>Net assets at end of the period</b>	<b>9,875,259</b>	<b>48,484</b>	<b>9,923,743</b>	<b>1,957,594</b>	<b>33,045</b>	<b>1,990,639</b>
Undistributed (loss) / income brought forward						
- Realised		-			-	
- Unrealised		-			-	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		48,484			37,187	
		<b>48,484</b>			<b>37,187</b>	
Distribution during the period		-			(4,142)	
Undistributed income carried forward		<b>48,484</b>			<b>33,045</b>	
Undistributed income carried forward						
- Realised		58,016			104,907	
- Unrealised		(9,532)			(71,862)	
		<b>48,484</b>			<b>33,045</b>	
Net assets value per unit at end of the period		<b>10.0491</b>			<b>10.1688</b>	

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD FROM 15 NOVEMBER TO 31 MARCH 2023

	From 21 March To March 31, 2023	From 15 November To March 31, 2023	Total for the period From 15 November To March 31, 2023
	NFTMP-I	NFTMP-III	Total
----- Rupees in 000 -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation	48,502	37,187	85,689
<b>Adjustments for:</b>			
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	9,532	71,862	81,394
Amortisation of preliminary and floatation cost	22	75	97
	<b>58,056</b>	<b>109,124</b>	<b>167,180</b>
<b>Decrease / (increase) in assets</b>			
Investments - net	(9,370,832)	(2,058,385)	(11,429,217)
Profit receivable	(471,923)	(523)	(472,446)
Preliminary expenses and floatation cost	(200)	(200)	(400)
Advances, deposit and prepayment	-	(111)	(111)
	<b>(9,842,955)</b>	<b>(2,059,219)</b>	<b>(11,902,174)</b>
<b>(Decrease) / increase in liabilities</b>			
Payable to NBP Fund Management Limited - Management Company	4,078	2,665	6,743
Payable to Central Depository Company of Pakistan Limited - Trustee	168	104	272
Payable to Securities and Exchange Commission of Pakistan	54	146	200
Accrued expenses and other liabilities	164	363	527
	<b>4,464</b>	<b>3,278</b>	<b>7,742</b>
<b>Net cash (used in) operating activities</b>	<b>(9,780,435)</b>	<b>(1,946,817)</b>	<b>(11,727,252)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amounts received against issuance of units	9,895,337	1,957,594	11,852,931
Distribution paid	(20,096)	(4,142)	(24,238)
<b>Net cash generated from financing activities</b>	<b>9,875,241</b>	<b>1,953,452</b>	<b>11,828,693</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>94,806</b>	<b>6,635</b>	<b>101,441</b>
Cash and cash equivalents at beginning of the period	-	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>94,806</b>	<b>6,635</b>	<b>101,441</b>

The annexed notes 1 to 13 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) FOR THE PERIOD FROM 15 NOVEMBER TO 31 MARCH 2023

### 1 LEGAL STATUS AND NATURE OF BUSINESS

The NBP MUSTAHKAM 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 executed on 23 August 2022 and 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).

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).

The Fund comprises of two plans namely NBP Fixed Term Munafa Plan I & III (NIFTMP-I & NIFTMP-III). 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. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to earn potentially high returns by investing in Fixed investment instruments.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned and maintained an asset manager rating of AM1' of Management Company.

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.

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

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.

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 published financial statements of the Fund for period from November 15 to December 31, 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.

### 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 financial statements of the Fund for the period from November 15, 2022 to December 31, 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 financial statements for the period from November 15 to December 31, 2022.

		(Un-audited)		
		March 31, 2023		
		----- (Rupees in '000) -----		
		NFTMP-I	NFTMP-III	Total
<b>4</b>	<b>INVESTMENTS</b>	Note		
	<b>Financial assets at fair value through profit or loss</b>			
	Market Treasury Bills	4.1	-	1,986,523
	Pakistan Investments Bonds (PIBs)	4.1	9,361,300	-
			<b>9,361,300</b>	<b>1,986,523</b>
				<b>11,347,823</b>

#### 4.1 Investment in government securities

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
		Purchases during the period	Sales / matured during the period	As at March 31, 2023			
----- % -----							
<b>NFTMP-I</b>							
<b>Pakistan Investments Bonds (PIBs)</b>							
18 June 2020	3 years	94,750,000	-	94,750,000	9,361,300	94.33	100.00
					<b>9,361,300</b>	<b>94.33</b>	<b>100.00</b>
Carrying value before fair value adjustment as at 31 March 2023					<b>9,370,832</b>		



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
		Purchases during the period	Sales / matured during the period	As at March 31, 2023			
----- % -----							
<b>NFTMP-III</b>							
<b>Market Treasury Bills</b>							
17 November 2022	12 Months	2,250,000	-	2,250,000	1,986,523	99.79	100.00
					<u>1,986,523</u>	<u>99.79</u>	<u>100.00</u>
Carrying value before fair value adjustment as at 31 March 2023					<u>2,058,385</u>		

## 5 CONTINGENCIES AND COMMITMENTS

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

## 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 0.40% and 0.29% per annum of the net assets in NIFTMP-I and NIFTMP-III respectively.

## 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 plans based on the current period is 1.58% - NFTMP-I, 0.75% - NFTMP-III which includes 0.13% - NFTMP-I, 0.05% - NFTMP-III 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 AND RELATED PARTIES

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.

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

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

The details of significant transactions carried out by the Fund with connected persons and balances with them at period end are as follows:

9.1 Transactions during the period:	From 21 March To March 31, 2023	From 15 November To March 31, 2023	
	(Unaudited)		
	NFTMP-I	NFTMP-III	Total
	-----Rupees in '000-----		
<b>NBP Fund Management Limited</b>			
<b>- Management Company</b>			
Remuneration of NBP Fund Management Limited - Mar	2,111	1,101	3,212
Sindh Sales Tax on remuneration to Management Com	274	143	417
Reimbursement of operational expenses to the Manage	407	939	1,346
Reimbursement of selling and marketing expenses	1,086	2,322	3,408
<b>Central Depository Company of pakistan</b>			
Remuneration to Central Depository Company of Pakistan Limited - Trustee	149	404	553
Sindh Sales Tax on remuneration of Trustee	19	53	72
<b>Portfolio managed by NBP Funds</b>			
Units Issued: 11,710,359 units	-	117,104	117,104
<b>FAUJI AKBAR PORTIA MARINE TERMINALS LTD (10% or more holding)</b>			
Units Issued: 20,002,988 units	-	203,406	203,406
<b>ASIA PETROLEUM LTD (10% or more holding)</b>			
Units Issued: 49,975,745 units	-	508,193	508,193
<b>1 LINK PRIVATE LIMITED (10% or more holding)</b>			
Units Issued: 50,090,068 units	-	509,356	509,356
<b>SHAHID ANWAR (10% or more holding)</b>			
Units Issued: 35,035,779 units	-	356,272	356,272
<b>Employees of NAFA - EMPLOYEE</b>			
Units Issued / Transferred in: 2,025,160 units	20,252	-	20,252
<b>FAUJI KABIRWALA POWER CO. LTD (FKPCL) (10% or more holding)</b>			
Units Issued / Transferred in: 279,827,602 units	2,798,276	-	2,798,276

(Unaudited)

31 March, 2023

-----Rupees in '000-----

9.2 Amount outstanding as at period / year end:

**NBP Fund Management Limited - Management Company**

	NFTMP-I	NFTMP-III
Management remuneration payable	2,111	252
Sindh Sales tax payable	274	33
Other payable	-	15
Reimbursement of selling and marketing expenses	1,086	1,534
Reimbursement of operational expenses to the Management Company	407	631
Payable against Preliminary expenses and floatation cost	200	200

**Central Depository Company of pakistan**

Remuneration Payable	149	92
Sindh Sales Tax on Trustee remuneration	19	12
Other payable to CDC	1	3

**Portfolio managed by NBP Funds**

Units held: 11,710,359 units

	-	119,080
--	---	---------

**FAUJI AKBAR PORTIA MARINE TERMINALS LTD (10% or more holding)**

Units held: 20,002,988 units

	-	203,406
--	---	---------

**ASIA PETROLEUM LTD (10% or more holding)**

Units held: 49,975,745 units

	-	508,193
--	---	---------

**1 LINK PRIVATE LIMITED (10% or more holding)**

Units held: 50,090,068 units

	-	509,356
--	---	---------

**SHAHID ANWAR (10% or more holding)**

Units held: 35,035,779 units

	-	356,272
--	---	---------

**FAUJI KABIRWALA POWER CO. LTD (FKPCL) (10% or more holding)**

Units held: 279,827,602 units

	2,812,016	-
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**Employees of NAFA - EMPLOYEE**

Units Issued / Transferred in: 2,025,160 units

	20,351	-
--	--------	---

10 FAIR VALUE MEASUREMENT

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

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

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

## 11 FAIR VALUE HIERARCHY

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).

## 12 GENERAL

12.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

## 13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 29, 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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