



Managing Your Savings

NBP Fund Management Limited



NBP SARMAYA IZAFI 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 Shahr-e-Faisal, Karachi.

Bankers to the Fund

| | |
|---------------------------------|-----------------------------------|
| MCB Bank Limited | MCB Islamic Bank Limited |
| JS Bank Limited | Faysal Bank Limited |
| Meezan Bank Limited | Soneri Bank Limited |
| Habib Bank Limited | Dubai Islamic Bank Limited |
| United Bank Limited | Telenor Microfinance Bank Limited |
| Bank Alfalah Limited | Bank Islami Pakistan Limited |
| Bank Al Habib Limited | U Microfinance Bank Limited |
| Askari Bank Limited | The Bank of Punjab |
| Habib Metropolitan Bank Limited | First Microfinance Bank Limited |
| Allied Bank Limited | |
| National Bank of Pakistan | |

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Sarmaya Izafa Fund (NSIF)** for the period ended March 31, 2023.

Fund's Performance

The equity market performance during 9MFY23 remained subdued, as the Benchmark KSE-100 Index fell by 1,540 points, translating into a decline of 3.7%. However, during the period, the market remained very choppy and the Index exhibited large swings on both sides shaped by the news-flow.

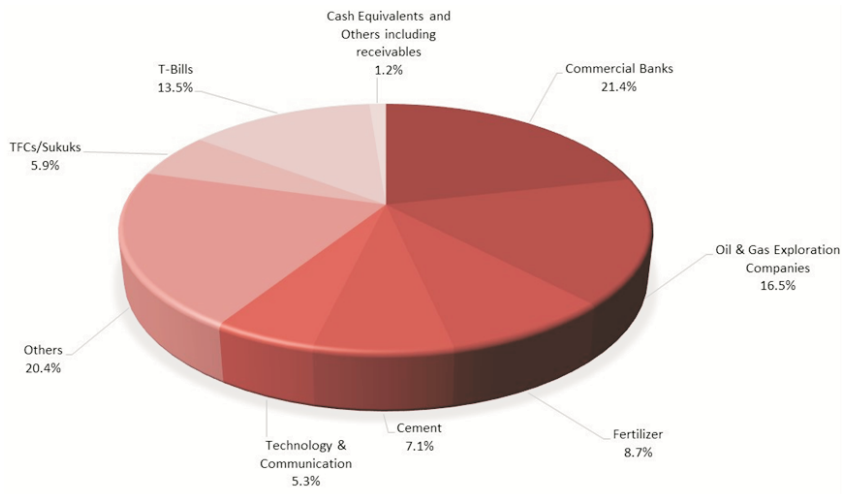
The robust corporate profitability exhibited by the listed companies during September and December periods failed to excite investors. Rather, their focus remained on the state of economy which faced multi-faceted challenges continuing into this year, especially the precarious situation on the balance of payment (BOP) front held their attention. Compared to the previous year, though the current account deficit (CAD) was brought under control due to various administrative measures by the authorities, yet, this year, the BOP was adversely affected by the elevated external debt repayments. Due to delay in meeting conditions of IMF, the program remained in abeyance and the external inflows dried up. Hence, SBP's FX reserves slipped from USD 9.8 billion to USD 4.2 billion on account of contractual loan repayments. Amid dwindling FX reserves, PKR witnessed steep devaluation (an unprecedented drop of 39% to settle at 283.8 against USD) at March-23 end, which also dented sentiments. Unprecedented rains led to massive floods in the country that not only caused massive devastation but further worsened economic outlook as GDP estimates were trimmed down in successive revisions. Inflation, which was already on an ascent due to commodity upcycle and retail fuel & power prices adjustments, further ratcheted up as acute supply disruptions & shortages put more pressure on prices. Average inflation clocked in at around 27.3% in 9MFY23 with highest ever monthly inflation of 35.4% recorded in March-23. This prompted the central bank to aggressively increase Policy Rate to 20% from 13.75% at the start of the period. Political uncertainty also remained elevated during the period and weighed on investors' sentiments after provincial assemblies in Punjab and KPK were dissolved and the opposition, government and the apex court engaged in a face-off.

In terms of sector performance, Cements, Banks, Fertilizer, Oil & Gas Exploration Companies, Power Generation & Distribution, Sugar & Allied Industries, Technology & Communication, and Transport sectors outperformed the market. On the contrary, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Chemicals, Engineering, Food & Personal Care, Glass & Ceramics, Insurance, Leather & Tanneries, Oil & Gas Marketing, Paper & Board, Pharmaceutical, Refinery & Textile Composite sectors lagged the market. On participants-wise market activity, Companies, Banks/DFIs and Individual emerged the largest net buyers with inflows of around USD 82 million, USD 60 and USD 58 million, respectively. On the contrary, Mutual Funds & Insurance lowered their net holdings by around USD 111 million & USD 105 million, respectively.

The trading activity in corporate debt securities also, recording cumulative trade value of Rs. 6.2 billion versus Rs. 7.6 billion in the same period last year. 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 Sarmaya Izafa Fund has decreased from Rs. 786 million to Rs. 551 million during the period, i.e., a decrease of 30%. During the period, the unit price of NBP Sarmaya Izafa Fund has decreased from Rs. 15.4812 on June 30, 2022 to Rs. 15.4072 on March 31, 2023, thus showing a decrease of 0.5%. The Benchmark increase during the same period was 5.5%. Thus, the Fund has underperformed its Benchmark by 6.0% during the period under review. Since inception the NAV of the Fund has increased from Rs. 4.2952 (Ex-Div) on August 20, 2010 to Rs. 15.4072 on March 31, 2023, thus showing an increase of 258.7%. During the said period, the Benchmark increased by 171.7%, translating into outperformance of 87.0%. This performance is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 19.58 million during the period. After deducting total expenses of Rs. 23.34 million, the loss is Rs. 3.76 million. The asset allocation of the Fund as on March 31, 2023 is as follows:



NSIF Performance versus Benchmark



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: April 29, 2023
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لیڈنگ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2023ء کو ختم ہونے والی مدت کے لئے NBP سرمایہ اضافہ فنڈ (NSIF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

9MFY23 کے دوران ایکویٹی مارکیٹ کی کارکردگی سست رہی، کیونکہ بینچ مارک KSE-100 انڈیکس 1,540 پوائنٹس گر گیا، جس کے نتیجے میں 3.7 فیصد کمی واقع ہوئی۔ تاہم، اس عرصے کے دوران، مارکیٹ بہت اتار چڑھاؤ کا شکار رہی اور انڈیکس خیروں کے باعث دونوں اطراف گھومتا رہا۔

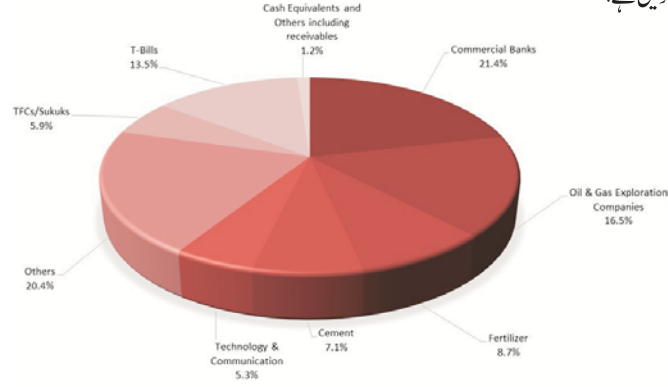
ستمبر اور دسمبر کے دوران لسٹڈ کمپنیوں کی طرف سے پیش کردہ مضبوط کارپوریٹ منافع سرمایہ کاروں کو جوش کرنے میں ناکام رہا۔ جبکہ، ان کی توجہ معیشت پر مرکوز رہی جس نے اس سال تک جاری رہنے والے کثیرالاجتی چیلنجز کا سامنا کیا، خاص طور پر ادائیگی کے توازن (BOP) پر غیر یقینی صورتحال ان کی توجہ کا مرکز رہی۔ گزشتہ سال کے مقابلے میں، اگرچہ حکام کی جانب سے مختلف انتظامی اقدامات کے باعث کرنٹ اکاؤنٹ خسارہ (CAD) کو کنٹرول میں لایا گیا، تاہم، اس سال، بیرونی قرضوں کی ادائیگیوں میں اضافہ سے BOP بُری طرح متاثر ہوا۔ آئی ایم ایف کی شرائط پوری کرنے میں تاخیر کی وجہ سے پروگرام قفل کا شکار رہا اور بیرونی رقوم کا بہاؤ کم ہو گیا۔ لہذا، معاہدے کے تحت قرض کی ادائیگیوں کی وجہ سے اسٹیٹ بینک پاکستان کے FX ذخائر 9.8 بلین امریکی ڈالر سے کم ہو کر 4.2 بلین امریکی ڈالر رہ گئے۔ کم ہوتے FX کے ذخائر کے ساتھ ساتھ پاکستانی روپیہ میں مارچ-23 کے آخر میں زبردست گراؤ (ایک امریکی ڈالر کے مقابلے میں 283.8 روپے یعنی 39 فیصد غیر معمولی کمی) دیکھی، جس نے معاشی جذبات کو بھی نقصان پہنچایا۔ غیر معمولی بارشوں کے نتیجے میں ملک میں تباہ کن سیلاب آیا جس نے نہ صرف بڑے پیمانے کی تباہی مچائی بلکہ اقتصادی نقطہ نظر کو مزید خراب کر دیا کیونکہ GDP کے تخمینے لگانا نظر ثانی میں کم کیے گئے تھے۔ مہنگائی، جو کہ تجارتی اشیاء کو دوبارہ کارآمد بنانا اور خوردہ ایندھن اور بجلی کی قیمتوں میں مطابقت کی وجہ سے پہلے ہی عروج پر تھی، مزید بڑھ گئی کیونکہ رسد میں شدید بدکاوٹ اور قلت نے قیمتوں پر مزید دباؤ ڈالا۔ مارچ-23 میں ریکارڈ کی گئی اب تک کی سب سے زیادہ ماہانہ افراط زر 35.4 فیصد کے ساتھ 9MFY23 میں اوسط مہنگائی تقریباً 27.3 فیصد تک پہنچ گئی۔ اس نے مرکزی بینک کو جارحانہ انداز میں پالیسی ریٹ 13.75 فیصد سے بڑھا کر 20 فیصد کرنے پر آمادہ کیا۔ اس عرصہ کے دوران سیاسی غیر یقینی صورتحال کا بھی سامنا رہا پنجاب اور KPK میں صوبائی اسمبلیاں تحلیل ہونے اور اپوزیشن، حکومت اور سپریم کورٹ کے آمنے سامنے ہونے کے بعد سرمایہ کاروں کے جذبات بُری طرح متاثر ہوئے۔

سیکٹر وار کارکردگی کے لحاظ سے سینٹ، بینک، فریلائیئر، آئل اینڈ گیس ایکسپلوریشن کمپنیاں، پاور جنریشن اینڈ ڈسٹری بیوٹن، شوگر اینڈ اینڈسٹریز، ٹیکسٹائل اور کیمیکل، اور ٹرانسپورٹ سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس، آٹو اسمبلرز، آٹو پارٹس اور ایسیریز، کمپل اور انجینئرنگ، فوڈ اینڈ ڈریسٹری، کیمیکل، انجینئرنگ، فوڈ اینڈ ڈریسٹری، گلاس اینڈ سیرامکس، انشورنس، لیڈر اینڈ ٹیکسٹائل، آئل اینڈ گیس مارکیٹنگ، پیپر اینڈ بورڈ، فارماسیوٹیکل، ریفرنسری اور ٹیکسٹائل کمپوزٹ سیکٹرز مارکیٹ میں پیچھے رہ گئے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، کمپنیاں، بینک/DFIs اور انفرادی سرمایہ کار بالترتیب 82 بلین امریکی ڈالر، 60 بلین امریکی ڈالر اور 58 بلین امریکی ڈالر کی آمد کے ساتھ بڑے خالص خریدار رہے۔ اس کے برعکس، میوچل فنڈز اور انشورنس نے اپنی خالص ہولڈنگ میں بالترتیب 111 بلین امریکی ڈالر اور 105 بلین امریکی ڈالر کی کمی ظاہر کی۔

کارپوریٹ ڈیٹ سیکورٹیز نے بھی، پچھلے سال کی اسی مدت میں 7.6 بلین روپے کے برعکس 6.2 بلین روپے کی مجموعی تجارتی قیمت ریکارڈ کی ہے۔ 9MFY23 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چھ اجلاس منعقد کیے اور پالیسی کی شرح 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 فیئر 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۔ بزنس نیلامیوں کا انعقاد کیا جس میں 16.2 ٹریلین روپے کے ہدف کے مقابلے میں 14.8 ٹریلین روپے کی وصولی ہوئی۔ 3- ماہ، 6- ماہ اور 12- ماہ کی مدت کے لیے ٹی۔ بزنس پر منافع میں بالترتیب 6.4 فیصد، 6.0 فیصد اور 5.9 فیصد کا اضافہ ہوا۔ اسی طرح، 3- ماہ، 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 سرمایہ اضافہ فنڈ کا سائز 786 بلین روپے سے کم ہو کر 551 بلین روپے ہو گیا ہے یعنی 30% کی کمی ہوئی۔ اس مدت کے دوران، NBP سرمایہ اضافہ فنڈ کی پونٹ قیمت 30 جون 2022 کو 15.4812 روپے سے کم ہو کر 31 مارچ 2023ء کو 15.4072 روپے ہو گئی، جو 0.5% کی کمی ظاہر کرتی ہے۔ اسی مدت کے دوران بیچ مارک میں اضافہ 5.5% تھا۔ چنانچہ زیر جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے بیچ مارک سے 16.0% برتری ہے۔ اپنے قیام کے بعد 20 اگست 2010 سے فنڈ کا NAV 4.2952 روپے (EX-Div) سے بڑھ کر 31 مارچ 2023ء کو 15.4072 روپے ہو گئی، چنانچہ 258.7% کا اضافہ ہوا۔ اس مدت کے دوران بیچ مارک 171.7% سے بڑھا۔ لہذا فنڈ نے 87.0% کی بہتر کارکردگی دکھائی۔ فنڈ کی کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فونڈ کو موجودہ مدت کے دوران 19.58 ملین روپے کی مجموعی آمدنی ہوئی ہے۔ 23.34 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد نقصان 3.76 ملین روپے ہے۔
31 مارچ 2023 کو فونڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



NSIF کی کارکردگی بمقابلہ بیچ مارک (اپنے قیام سے)



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 ٹرسٹی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تشکر بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز
NBP فونڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 اپریل 2023

مقام: کراچی

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

| | (Un-audited) March 31, 2023 | (Audited) June 30, 2022 |
|---|-----------------------------------|-------------------------------|
| Note | ----- Rupees in '000 ----- | |
| ASSETS | | |
| Bank balances | 20,608 | 88,796 |
| Investments | 544,369 | 714,591 |
| Mark-up accrued and dividend receivable | 11,129 | 1,023 |
| Receivable against sale of investments | - | 10,150 |
| Deposits, prepayments and other receivables | 3,282 | 3,452 |
| Total assets | 579,388 | 818,012 |
| LIABILITIES | | |
| Payable to NBP Fund Management Limited - Management Company | 26,334 | 25,407 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 292 | 157 |
| Payable to the Securities and Exchange Commission of Pakistan | 108 | 224 |
| Payable against redemption of units | - | 5,543 |
| Accrued expenses and other liabilities | 1,332 | 1,093 |
| Total liabilities | 28,066 | 32,424 |
| NET ASSETS | 551,322 | 785,588 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | 551,322 | 785,588 |
| Contingencies and commitments | 6 | |
| | -----Number of units----- | |
| Number of units in issue | 35,783,439 | 50,744,805 |
| | -----Rupees----- | |
| Net asset value per unit | 15.4072 | 15.4812 |

The annexed notes from 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 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 |
| Note ----- Rupees in '000 ----- | | | | |
| INCOME | | | | |
| Return / mark-up on: | | | | |
| - Bank balances | 4,838 | 5,534 | 658 | 2,699 |
| - Term deposit receipts | - | - | - | - |
| - Income On Corporate Sukuk Certificate | 2,554 | - | - | - |
| - Commercial Paper | 1,512 | - | - | - |
| - Debt / government securities | 13,679 | 8,634 | 5,846 | 2,004 |
| Net (loss) / gain on sale of investments | 1,059 | (18,393) | (3,912) | (4,428) |
| Dividend income | 43,483 | 65,280 | 16,052 | 23,596 |
| Net unrealised (loss) / gain on re-measurement of investments classified as fair value through profit or loss | (47,544) | (43,178) | (4,439) | 1,735 |
| Total income | 19,581 | 17,877 | 14,205 | 25,606 |
| EXPENSES | | | | |
| Remuneration of NBP Fund Management Limited - Management Company | 10,785 | 14,271 | 3,063 | 4,538 |
| Sindh Sales Tax on remuneration of the Management Company | 1,402 | 1,855 | 398 | 590 |
| Reimbursement of operational expenses to the Management Company | 1,078 | 1,750 | 306 | 502 |
| Reimbursement of selling and marketing expenses | 7,010 | 15,329 | 1,991 | 3,754 |
| Remuneration of Central Depository Company of Pakistan Limited -Trustee | 1,078 | 1,644 | 306 | 491 |
| Sindh Sales Tax on remuneration of the Trustee | 140 | 214 | 40 | 64 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 108 | 180 | 31 | 50 |
| Securities transaction costs | 347 | 714 | 158 | 330 |
| Settlement and bank charges | 139 | 303 | (13) | 34 |
| Auditors' remuneration | 835 | 690 | 238 | 207 |
| Legal and professional charges | 112 | 314 | 37 | 48 |
| Fund rating fee | 255 | 175 | 84 | 42 |
| Annual listing fee | 21 | 21 | 7 | 7 |
| Printing charges | 27 | 75 | 7 | 24 |
| Total expenses | 23,337 | 37,535 | 6,653 | 10,681 |
| Net (loss) / income from operating activities | (3,756) | (19,658) | 7,552 | 14,925 |
| Reversal of / (Provision against) Sindh Workers' Welfare Fund | 6 | - | 25,552 | - |
| Net income for the period before taxation | (3,756) | 5,894 | 7,552 | 14,925 |
| Taxation | 8 | - | - | - |
| Net income for the period after taxation | (3,756) | 5,894 | 7,552 | 14,925 |
| Allocation of net income for the period | | | | |
| Net income for the period after taxation | - | 5,894 | 7,552 | 14,925 |
| Income already paid on units redeemed | - | - | - | - |
| | - | 5,894 | 7,552 | 14,925 |
| Accounting income available for distribution: | | | | |
| - Relating to capital gains | - | - | - | - |
| - Excluding capital gains | - | 5,894 | 7,552 | 14,925 |
| | - | 5,894 | 7,552 | 14,925 |

The annexed notes from 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 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 | (3,756) | 5,894 | 7,552 | 14,925 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | (3,756) | 5,894 | 7,552 | 14,925 |

The annexed notes from 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 NINE MONTHS PERIOD ENDED MARCH 31, 2023

| | Nine Months Period Ended March 31, | | | | | |
|---|------------------------------------|----------------|----------------|----------------------|----------------|----------------|
| | 2023 | | | 2022 | | |
| | Rupees in '000 | | | | | |
| Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | |
| Net assets at beginning of the period | 142,046 | 643,542 | 785,588 | 743,335 | 710,712 | 1,454,047 |
| Issue of 14,361,967 units (2021: 40,432,875 units) | | | | | | |
| - Capital value | 161,520 | - | 161,520 | 242,567 | - | 242,567 |
| - Element of (loss) / income | 637 | - | 637 | (533) | - | (533) |
| Total proceeds on issue of units | 162,157 | - | 162,157 | 242,034 | - | 242,034 |
| Redemption of 44,966,501 units (2021: 40,701,765 units) | | | | | | |
| - Capital value | (393,138) | - | (393,138) | (759,459) | - | (696,133) |
| - Element of loss | 471 | - | 471 | (7,150) | - | (70,476) |
| Total payments on redemption of units | (392,667) | - | (392,667) | (766,609) | - | (766,609) |
| Total comprehensive income for the period | - | (3,756) | (3,756) | - | 5,894 | 5,894 |
| Net assets at end of the period | (88,464) | 639,786 | 551,322 | 218,760 | 716,606 | 935,366 |
| Undistributed income brought forward | | | | | | |
| - Realised | | 767,089 | | | 532,700 | |
| - Unrealised | | (123,547) | | | 178,012 | |
| | | 643,542 | | | 710,712 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gain | | - | | | - | |
| - Excluding capital gains | | - | | | 5,894 | |
| | | - | | | 5,894 | |
| Net loss for the period after taxation | | (3,756) | | | - | |
| Undistributed income carried forward | | | | | | |
| - Realised | | 687,330 | | | 759,784 | |
| - Unrealised | | (47,544) | | | (43,178) | |
| | | 639,786 | | | 716,606 | |
| | | - (Rupees) - | | | - (Rupees) - | |
| Net assets value per unit at beginning of the period | | 15.4812 | | | 16.8895 | |
| Net assets value per unit at end of the period | | 15.4072 | | | 16.8574 | |

The annexed notes from 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 NINE MONTHS PERIOD ENDED MARCH 31, 2023

| | <u>Nine Months Period Ended March</u> | |
|---|---------------------------------------|------------------|
| | 2023 | 2022 |
| ----- Rupees in '000 ----- | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | (3,756) | 5,894 |
| Adjustments: | | |
| Net loss / (gain) on sale of investments | (1,059) | 18,393 |
| (Reversal of) / Provision against Sindh Workers' Welfare Fund | - | (25,552) |
| Net unrealised loss / (gain) on re-measurement of investments classified as fair value through profit or loss | 47,544 | 43,178 |
| | 46,485 | 36,019 |
| Decrease in assets | | |
| Investments - net | 123,737 | 353,693 |
| Mark-up accrued and dividend receivable | (10,106) | (4,165) |
| Receivable against sale of investments | 10,150 | (2,189) |
| Deposits, prepayments and other receivables | 170 | 8,403 |
| | 123,951 | 355,742 |
| Increase / (decrease) in liabilities | | |
| Payable to the Management Company | 927 | (3,234) |
| Payable to the Trustee | 135 | (44) |
| Payable to the Securities and Exchange Commission of Pakistan | (116) | (107) |
| Payable against purchase of investment | - | (5,955) |
| Accrued expenses and other liabilities | 239 | (5,645) |
| | 1,185 | (14,985) |
| Net cash generated from operating activities | 167,865 | 382,670 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amounts received on issue of units | 162,157 | 250,942 |
| Amounts paid on redemption of units | (398,210) | (765,642) |
| Net cash used in financing activities | (236,053) | (514,700) |
| Net decrease in cash and cash equivalents during the period | (68,188) | (132,030) |
| Cash and cash equivalents at the beginning of the period | 88,796 | 291,618 |
| Cash and cash equivalents at the end of the period | 20,608 | 159,588 |

The annexed notes from 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 THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

NBP Sarmaya Izafa Fund (the Fund) was established under a Trust Deed executed 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 June 18, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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 asset allocation scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from August 20, 2010 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to generate income by investing in debt and money market securities and to generate capital appreciation by investing in equity and equity related securities. The Fund also undertakes transactions under margin trading system.

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 is 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 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and has assigned performance ranking of "3 star" to the Fund.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited 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 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the 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.

| | | (Un-audited) March 31, 2023 | (Audited) June 30, 2022 |
|------------------------|------|-----------------------------------|-------------------------------|
| | Note | -----Rupees in '000----- | |
| 4 BANK BALANCES | | | |
| - Savings accounts | 4.1 | 20,300 | 88,488 |
| - Current accounts | | 308 | 308 |
| | | <u>20,608</u> | <u>88,796</u> |

4.1 These savings accounts carry mark-up at rates ranging from 16.50% to 20% per annum (June 30, 2022: 6.5% to 10.77%) (7.16% per annum)

5 INVESTMENTS

Financial asset at fair value through profit or loss

| | | | |
|----------------------------|-----|----------------|----------------|
| - Listed equity securities | 5.1 | 437,561 | 634,649 |
| - Treasury Bills | 5.2 | 74,213 | - |
| - Sukuks | 5.3 | 32,595 | 39,454 |
| - Commercial Paper | | - | 40,488 |
| | | <u>544,369</u> | <u>714,591</u> |

5.1 Listed equity securities

| Name of the investee company | As at July 01, 2022 | Purchased during the period | Bonus / right issue | Sold during the period | As at March 31, 2023 | Market value as at March 31, 2023 | Market value as a percentage of net assets | Market value as a percentage of total investment | Investment as percentage of paid up capital of investee company |
|--|------------------------------|-----------------------------|---------------------|------------------------|----------------------|-----------------------------------|--|--|---|
| | ----- Number of shares ----- | | | | Rupees in '000 | | ----- % ----- | | |
| OIL AND GAS MARKETING COMPANIES | | | | | | | | | |
| Attock Petroleum Limited | 20,800 | - | 4,575 | 25,375 | - | - | - | - | - |
| Hascol Petroleum Limited | 1,861 | - | - | - | 1,861 | 11 | 0.00 | - | 0.01 |
| Pakistan State Oil Company Limited | 135,214 | 8,600 | - | 46,934 | 96,880 | 11,421 | 2.07 | 2.10 | 2.48 |
| | 157,875 | 8,600 | 4,575 | 72,309 | 98,741 | 11,432 | 2.07 | 2.10 | 2.49 |
| OIL AND GAS EXPLORATION COMPANIES | | | | | | | | | |
| Mari Petroleum Company Limited | 26,130 | - | - | 2,981 | 23,149 | 35,032 | 6.35 | 6.44 | 0.19 |
| Oil and Gas Development Company Limited | 406,300 | 19,900 | - | 98,900 | 327,300 | 27,284 | 4.95 | 5.01 | 0.08 |
| Pakistan Oilfields Limited | 17,596 | 2,600 | - | 7,093 | 13,103 | 5,227 | 0.95 | 0.96 | 0.05 |
| Pakistan Petroleum Limited | 393,170 | 39,100 | - | 69,900 | 362,370 | 23,177 | 4.20 | 4.26 | 0.16 |
| | 843,196 | 61,600 | - | 178,874 | 725,922 | 90,720 | 16.45 | 16.67 | 0 |
| FERTILIZER | | | | | | | | | |
| Engro Corporation Limited | 88,170 | 11,800 | - | 18,500 | 81,470 | 22,549 | 4.09 | 4.14 | 0.96 |
| Fauji Fertilizer Bin Qasim Limited | 432,500 | - | - | 230,000 | 202,500 | 2,525 | 0.46 | 0.46 | 0.22 |
| Fauji Fertilizer Company Limited | 229,500 | 16,200 | - | 18,800 | 226,900 | 22,683 | 4.11 | 4.17 | 0.47 |
| | 750,170 | 28,000 | - | 267,300 | 510,870 | 47,757 | 8.66 | 8.77 | 1.65 |
| CHEMICALS | | | | | | | | | |
| Engro Polymer & Chemicals Limited | 271,702 | 15,600 | - | 184,000 | 103,302 | 4,832 | 0.88 | 0.89 | 0.16 |
| Lotte Chemical Pakistan Limited | 383,500 | - | - | 383,500 | - | - | - | - | - |
| | 655,202 | 15,600 | - | 567,500 | 103,302 | 4,832 | 0.88 | 0.89 | 0.16 |
| FOOD AND PERSONAL CARE PRODUCTS | | | | | | | | | |
| Shezan International Limited | 13,750 | - | - | 200 | 13,550 | 1,481 | 0.27 | 0.27 | - |
| | 13,750 | - | - | 200 | 13,550 | 1,481 | 0.27 | 0.27 | - |
| ENGINEERING | | | | | | | | | |
| Mughal Iron & Steel Industries Limited | 332,194 | - | - | 77,735 | 254,459 | 12,502 | 2.27 | 2.30 | 1.01 |
| | 332,194 | - | - | 77,735 | 254,459 | 12,502 | 2.27 | 2.30 | 1.01 |
| CEMENT | | | | | | | | | |
| Lucky Cement Limited | 47,893 | 500 | - | 18,080 | 30,313 | 12,199 | 2.21 | 2.24 | 0.23 |
| Maple Leaf Cement Factory Limited | 115,100 | 22,100 | - | 50,600 | 86,600 | 2,250 | 0.41 | 0.41 | 0.01 |
| Kohat Cement Company Limited | 169,150 | 4,100 | - | 15,850 | 157,400 | 21,946 | 3.98 | 4.03 | 0.12 |
| Attock Cement Pakistan Limited | 12,400 | 70 | - | - | 12,470 | 717 | 0.13 | 0.13 | 0.06 |
| Fauji Cement Company Limited | 709,000 | 33,500 | 81,000 | 643,500 | 180,000 | 2,153 | 0.39 | 0.40 | 0.86 |
| | 1,053,543 | 60,270 | 81,000 | 728,030 | 466,783 | 39,265 | 7.12 | 7.21 | 1.27 |
| TEXTILE COMPOSITE | | | | | | | | | |
| Nishat Mills Limited | 115,900 | - | - | 22,100 | 93,800 | 4,936 | 0.90 | 0.91 | 0.01 |
| Gul Ahmed Textile Mills Limited | 247,572 | - | - | 4,000 | 243,572 | 5,144 | 0.93 | 0.94 | 0.02 |
| Nishat (Chunian) Limited | 92,500 | - | - | 92,500 | - | - | - | - | - |
| Interloop Limited | 119,257 | - | 2,350 | 121,607 | - | - | - | - | - |
| The Crescent Textile Mills Limited | 1,875 | - | - | - | 1,875 | 22 | 0.00 | - | - |
| Kohinoor Textile Mills Limited | 226,194 | 10,500 | - | 17,000 | 219,694 | 11,514 | 2.09 | 2.12 | 1.65 |
| | 803,298 | 10,500 | 2,350 | 257,207 | 558,941 | 21,616 | 3.92 | 3.97 | 1.67 |
| POWER GENERATION AND DISTRIBUTION | | | | | | | | | |
| The Hub Power Company Limited | 430,579 | 8,500 | - | 69,300 | 369,779 | 24,971 | 4.53 | 4.59 | 0.03 |
| Lalpir Power Limited | 177,000 | - | - | 41,500 | 135,500 | 2,149 | 0.39 | 0.39 | 0.34 |
| Pakgen Power Limited | 116,500 | - | - | 83,500 | 33,000 | 1,030 | 0.19 | 0.19 | 0.11 |
| | 724,079 | 8,500 | - | 194,300 | 538,279 | 28,150 | 5.11 | 5.17 | 0.48 |

NBP SARMAYA IZAFI FUND

| Name of the investee company | As at July 01, 2022 | Purchased during the period | Bonus / right issue | Sold during the period | As at March 31, 2023 | Market value as at March 31, 2023 | Market value as a percentage of net assets | Market value as a percentage of total investment | Investment as percentage of paid up capital of investee company |
|--|------------------------------|-----------------------------|---------------------|------------------------|----------------------|-----------------------------------|--|--|---|
| | ----- Number of shares ----- | | | | Rupees in '000 | | ----- % ----- | | |
| COMMERCIAL BANKS | | | | | | | | | |
| Allied Bank Limited | 37.201 | - | - | 37.200 | 1 | - | - | - | 0.00 |
| Bank Al-falah Limited | 1,127,950 | - | - | 162,272 | 965,678 | 27,792 | 5.04 | 5.11 | 0.06 |
| Bank Al-Habib Limited | 468,650 | - | - | 50,300 | 418,350 | 17,780 | 3.22 | 3.27 | 0.04 |
| MCB Bank Limited | 43,400 | 5,000 | - | 1,200 | 47,200 | 5,428 | 0.98 | 1.00 | 0.00 |
| United Bank Limited | 310,303 | - | - | 25,400 | 284,903 | 30,359 | 5.51 | 5.58 | 0.02 |
| Faysal Bank Limited | 355,145 | 27,600 | - | 244,600 | 138,145 | 3,007 | 0.55 | 0.55 | 0.00 |
| Habib Metropolitan Bank Limited | 62,000 | - | - | - | 62,000 | 1,828 | 0.33 | 0.34 | 0.01 |
| Meezan Bank Limited | 12,825 | 6,000 | 1,273 | 100 | 19,998 | 1,904 | 0.35 | 0.35 | 0.00 |
| Habib Bank Limited | 442,667 | - | - | 33,300 | 409,367 | 29,998 | 5.44 | 5.51 | 0.03 |
| | <u>2,860,141</u> | <u>38,600</u> | <u>1,273</u> | <u>554,372</u> | <u>2,345,642</u> | <u>118,096</u> | <u>21.42</u> | <u>21.71</u> | <u>0.16</u> |
| PAPER AND BOARD | | | | | | | | | |
| Roshan Packages Limited | 95,000 | - | - | 95,000 | - | - | - | - | 0.04 |
| Cherat Packaging Limited | 1 | - | - | - | 1 | - | - | - | 0.00 |
| | <u>95,001</u> | <u>-</u> | <u>-</u> | <u>95,000</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>0.04</u> |
| LEATHER & TANNERIES | | | | | | | | | |
| Service Industries Limited | 12,100 | - | - | 5,900 | 6,200 | 1,321 | 0.24 | 0.24 | 0.01 |
| | <u>12,100</u> | <u>-</u> | <u>-</u> | <u>5,900</u> | <u>6,200</u> | <u>1,321</u> | <u>0.24</u> | <u>0.24</u> | <u>0.01</u> |
| AUTOMOBILE ASSEMBLER | | | | | | | | | |
| Millat Tractors Limited | 7,436 | - | 567 | 8,003 | - | - | - | - | - |
| Honda Atlas Cars Pakistan Limited | 4,760 | - | - | 4,760 | - | - | - | - | - |
| | <u>12,196</u> | <u>-</u> | <u>567</u> | <u>12,763</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| AUTOMOBILE PARTS AND ACCESSORIES | | | | | | | | | |
| Baluchistan Wheels Limited | 500 | - | - | - | 500 | 35 | 0.01 | 0.01 | 0.00 |
| Panther Tyres Limited | 70,200 | - | - | 42,000 | 28,200 | 539 | 0.10 | 0.10 | 0.01 |
| | <u>70,700</u> | <u>-</u> | <u>-</u> | <u>42,000</u> | <u>28,700</u> | <u>574</u> | <u>0.10</u> | <u>0.11</u> | <u>0.01</u> |
| TRANSPORT | | | | | | | | | |
| Pakistan National Shipping Co. | - | 50,500 | - | - | 50,500 | 4,901 | 0.89 | 0.90 | 0.02 |
| Pakistan International Bilk Terminal Limited | 221,000 | - | - | 139,000 | 82,000 | 346 | 0.06 | 0.06 | 0.02 |
| | <u>221,000</u> | <u>50,500</u> | <u>-</u> | <u>139,000</u> | <u>132,500</u> | <u>5,247</u> | <u>0.06</u> | <u>0.06</u> | <u>0.04</u> |
| CABLE & ELECTRICAL GOODS | | | | | | | | | |
| Pak Elektron Limited | 314,760 | - | - | 111,500 | 203,260 | 2,297 | 0.42 | 0.42 | 0.02 |
| | <u>314,760</u> | <u>-</u> | <u>-</u> | <u>111,500</u> | <u>203,260</u> | <u>2,297</u> | <u>0.42</u> | <u>0.42</u> | <u>0.02</u> |
| TECHNOLOGY AND COMMUNICATION | | | | | | | | | |
| Systems Limited | 101,179 | - | - | 37,650 | 63,529 | 29,354 | 5.32 | 5.39 | 0.21 |
| | <u>101,179</u> | <u>-</u> | <u>-</u> | <u>37,650</u> | <u>63,529</u> | <u>29,354</u> | <u>5.32</u> | <u>5.39</u> | <u>0.21</u> |
| GLASS AND CERAMICS | | | | | | | | | |
| Tariq Glass Industries Limited | 95,925 | 800 | 19,631 | 35,700 | 80,656 | 5,677 | 1.03 | 1.04 | 0.27 |
| Shabbir Tiles and Ceramics Limited | 755,000 | - | - | 48,500 | 706,500 | 6,012 | 1.09 | 1.10 | 0.04 |
| | <u>850,925</u> | <u>800</u> | <u>19,631</u> | <u>84,200</u> | <u>787,156</u> | <u>11,689</u> | <u>2.12</u> | <u>2.14</u> | <u>0.31</u> |
| PHARMACEUTICALS | | | | | | | | | |
| The Searle Company Limited | 61,932 | - | 15,208 | 19,300 | 57,840 | 2,978 | 0.54 | 0.55 | 0.43 |
| IBL HealthCare Limited | 5,000 | - | 450 | 500 | 4,950 | 168 | 0.03 | 0.03 | 0.01 |
| Highnoon Laboratories Limited | 9,987 | - | - | 1,000 | 8,987 | 4,238 | 0.77 | 0.78 | 0.02 |
| Haleon Pakistan Limited (GSKCH Pak Ltd) | 2,000 | - | - | - | 2,000 | 262 | 0.05 | 0.05 | - |
| Citi Pharma Ltd. | 53,305 | - | - | 9,400 | 43,905 | 1,123 | 0.20 | 0.21 | - |
| AGP Limited | 33,600 | - | - | 600 | 33,000 | 1,789 | 0.32 | 0.33 | 0.08 |
| | <u>165,824</u> | <u>-</u> | <u>15,658</u> | <u>30,800</u> | <u>150,682</u> | <u>10,558</u> | <u>1.92</u> | <u>1.95</u> | <u>0.54</u> |

| Name of the investee company | As at July 01, 2022 | Purchased during the period | Bonus / right issue | Sold during the period | As at March 31, 2023 | Market value as at March 31, 2023 | Market value as a percentage of net assets | Market value as a percentage of total investment | Investment as percentage of paid up capital of investee company |
|--|------------------------------|-----------------------------|---------------------|------------------------|----------------------|-----------------------------------|--|--|---|
| | ----- Number of shares ----- | | | | Rupees in '000 | | ----- % ----- | | |
| SYNTHETIC PRODUCTS | | | | | | | | | |
| Synthetic Products Enterprises Limited | 60,653 | - | - | 1,000 | 59,653 | 671 | 0.12 | 0.12 | 0.20 |
| | 60,653 | - | - | 1,000 | 59,653 | 671 | 0.12 | 0.12 | 0.20 |
| Total as at March 31, 2023 | 10,097,786 | 282,970 | 125,054 | 3,457,640 | 7,048,170 | 437,562 | 78.41 | 79.43 | |

5.2

Treasury Bills

| Issue Date | Tenor | Face Value | | | | Market value / carrying value as at March 31, 2023 | Investment as a percentage of | |
|--------------------------|----------|--------------------|---------------------------|---------------------------------|----------------------|--|-------------------------------|-----------------------------------|
| | | As at July 1, 2022 | Purchased during the year | Sales / Matured during the year | As at March 31, 2023 | | Net Assets | Market value of total investments |
| ----- (Rs in '000) ----- | | | | | | | | |
| 28-Apr-22 | 3 Months | - | 60,000 | 60,000 | - | - | - | - |
| 2-Jun-22 | 3 Months | - | 80,050 | 80,050 | - | - | - | - |
| 10-Mar-22 | 6 Months | - | 80,000 | 80,000 | - | - | - | - |
| 30-Jun-22 | 3 Months | - | 80,000 | 80,000 | - | - | - | - |
| 14-Jul-22 | 3 Months | - | 80,000 | 80,000 | - | - | - | - |
| 28-Jul-22 | 3 Months | - | 80,000 | 80,000 | - | - | - | - |
| 11-Aug-22 | 3 Months | - | 163,020 | 163,020 | - | - | - | - |
| 3-Nov-22 | 3 Months | - | 150,000 | 150,000 | - | - | - | - |
| 26-Jan-23 | 3 Months | - | 150,000 | 75,000 | 75,000 | 74,213 | 14% | 13% |
| | | - | 923,070 | 848,070 | 75,000 | 74,213 | 14% | 13% |

Carrying value before mark to market as at March 31, 2023

74,332

5.3

Sukus

| Name of the investee company | Number of certificates | | | | Market value / carrying value as at March 31, 2023 | Investment as a percentage of | | |
|------------------------------|------------------------|-----------------------------|-----------------------------------|----------------------|--|-------------------------------|-----------------------------------|------------|
| | As at July 1, 2022 | Purchased during the period | Sales / Matured during the period | As at March 31, 2023 | | Net assets | Market value of total investments | Issue size |
| Rs in '000 | | | | | | | | |
| Hub power company sukuk-2 | 500 | - | - | 500 | 12,595 | 2.28 | 2.31 | 0.01% |
| Soneri Bank Limited -TFC | - | 200 | | 200 | 20,000 | 3.63 | 3.67 | 0.00% |
| | | | | | <u><u>32,595</u></u> | | | |

All term finance certificates have a face value of Rs. 100,000 each unless stated otherwise.

| | | | | | | | | |
|---------------------------|-----|-----|---|-----|----------------------|------|------|-------|
| Hub power company sukuk-2 | 500 | - | - | 500 | 12,595 | 2.28 | 2.31 | 0.01% |
| Soneri Bank Limited -TFC | - | 200 | | 200 | 20,000 | 3.63 | 3.67 | 0.00% |
| | | | | | <u><u>32,595</u></u> | | | |

Carrying value before mark to market as at March 31, 2023

34,454

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 1.3% 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 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.

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.33% (March 31, 2022: 4.18%) which includes 0.30% (March 31, 2022: 0.25%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Asset Allocation" scheme.

10 TRANSACTION WITH CONNECTED PERSONS AND RELATED PARTIES

10.1 Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund Management Limited being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

10.2 The transactions with connected persons and related parties are carried at agreed rates and terms.

10.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

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

| | | ----- (Un-audited) ----- | |
|--|--|----------------------------|----------------|
| | | Nine Months Period Ended | |
| 10.5 | Details of transactions with connected persons and related parties are as follows: | March 31, 2023 | March 31, 2022 |
| | | ----- Rupees in '000 ----- | |
| NBP Fund Management Limited - Management Company | | | |
| | Remuneration of the Management Company | 10,785 | 14,271 |
| | Sindh Sales Tax on remuneration of the Management Company | 1,402 | 1,855 |
| | Reimbursement of operational expenses to the Management Company | 1,078 | 1,750 |
| | Reimbursement of selling and marketing expenses | 7,010 | 15,329 |
| | Sales load and Sindh Sales Tax on sales load | 627 | 2,956 |
| | ADC charges including Sindh sales tax | - | 11 |
| Central Depository Company of Pakistan Limited (Trustee) | | | |
| | Remuneration of the Trustee | 1,078 | 1,644 |
| | Sindh Sales Tax on remuneration of the Trustee | 140 | 214 |
| | CDS charges | 11 | 55 |
| National Clearing Company of Pakistan Limited (common directorship)** | | | |
| | NCCPL Charges | - | 397 |
| | Listing fee | - | 21 |
| Employees of the Management Company | | | |
| | Units issued / transferred in 3,163 units (2022: 258,958 units) | 50 | 4,344 |
| | Units redeemed / transferred out 24,150 units (2022: 373,776 units) | 370 | 6,263 |
| Portfolio Managed by the Management Company | | | |
| | Units issued / transferred in 1,756,212 Units (2022: 143,041 Units) | 27,000 | 2,498 |
| | Units Redeemed / Transferred Out 1,825,541 Units (2022: 3,247,376 Units) | 28,138 | 55,143 |
| | Treasury Bill Sold | - | - |
| BankIslami Pakistan Limited (Common Directorship) | | | |
| | Markup accrued on bank balances | 103 | 35 |
| Ronak Iqbal Lakhani - unit holder with more than 10% holding | | | |
| | Units Redeemed / Transferred Out 4,984,282 Units (2022: Nil Units) | 75,000 | - |
| Telenor Microfinance Bank Limited - common directorship | | | |
| | Profit on bank balance | 27 | 9 |
| Khushhali Microfinance Bank Limited - common directorship | | | |
| | Profit on bank balance | 87 | 167 |
| BankIslami Pakistan Limited - common directorship | | | |
| | Profit on bank balance | 103 | 35 |
| NBP Financial Sector Fund (entity managed by the management company) | | | |
| | Purchase of equity instruments Nil shares of IGIHL (2022: 50,000 Nil units) | - | 7,236 |
| International Steels Limited (Common Directorship) | | | |
| | Nil shares (2022: 26,899 shares) | - | 1,955 |
| | Dividend income | - | 188 |
| Fauji Fertilizer Company Limited (Common Directorship) | | | |
| | Ordinary shares purchased 16,200 (2022: 38,500 shares) | 1,668 | 4,020 |
| | Ordinary shares sold 18,800 (2022: 21,500 shares) | 1,944 | 2,243 |
| | Dividend income | 1,891 | 3,633 |
| Taurus Securities Limited | | | |
| - (Subsidiary of Parent of the Management Company) | | | |
| | Brokerage expense | - | 35 |

| 10.6 | Amounts outstanding as at period / year end are as follows: | (Un-audited) March 31, 2023 | (Audited) June 30, 2022 |
|---|--|-----------------------------------|-------------------------------|
| | | ----- Rupees in '000 ----- | |
| NBP Fund Management Limited - Management Company | | | |
| | Remuneration of the Management Company | 2,137 | 1,343 |
| | Sindh Sales Tax on remuneration of the Management Company | 278 | 175 |
| | Reimbursement of operational expenses to the Management Company | 683 | 436 |
| | Reimbursement of selling and marketing expenses | 1,991 | 2,835 |
| | Federal excise duty on remuneration of the Management Company | 16,000 | 16,000 |
| | Sales and transfer load payable | 1,321 | 767 |
| | Sindh Sales Tax on sales load payable | 172 | 100 |
| | Federal excise duty on sales load | 3,733 | 3,733 |
| | ADC Charges Payable | 18 | 18 |
| Central Depository Company of Pakistan Limited (Trustee) | | | |
| | Remuneration of the Trustee | 219 | 139 |
| | Sindh sales tax on remuneration of the Trustee | 27 | 18 |
| | CDS charges | 47 | 60 |
| | Security deposit | 100 | 100 |
| National Clearing Company of Pakistan (Common directorship)** | | | |
| | Security deposit | - | 2,750 |
| | NCCPL charges payable | - | 30 |
| National Bank of Pakistan (Parent of the Management Company) | | | |
| | Bank balances | 308 | 462 |
| Gul Ahmed Textile Mills Limited (Common Directorship with the Management Company) | | | |
| | Ordinary shares held; 243,572 (June 30, 2022: 247,572 shares) | 5,144 | 8,370 |
| Fauji Fertilizer Limited Company (Common Directorship with the Management Company) | | | |
| | Ordinary shares held; 226,900 (June 30, 2022: 229,500 shares) | 22,683 | 25,295 |
| BankIslami Pakistan Limited (Common Directorship with the Management Company) | | | |
| | Bank balances | - | 356 |
| | Markup accrued on bank balances | 19 | - |
| Employees of the Management Company | | | |
| | Investment held in the Fund 12,862 (June 30, 2022: 33,849 units) | 198 | 524 |
| Mr. Khalid Mehmood - Chief Financial Officer* | | | |
| | Units held; 20 (2022 : 20) units | - | - |
| Portfolio managed by the Management Company | | | |
| | Units held; 1,904,839 (June 30, 2022: 2,015,511 units) | 28,903 | 31,202 |
| Ronak Iqbal Lakhani - unit holder with more than 10% holding | | | |
| | Units held: 4,929,300 (June 30, 2022: 9,913,583 units) | 75,947 | 153,474 |
| Aftab F. Tapal - unit holder with more than 10% holding | | | |
| | Units held: 4,784,285 (June 30, 2022: Nil units) | 73,712 | - |
| Telenor Microfinance Bank Limited - common directorship | | | |
| | Bank balance | 3 | 3 |
| | Profit receivable on bank balance | 27 | - |
| Khushhali Microfinance Bank Limited - common directorship | | | |
| | Bank balance | 8 | 2,423 |
| | Profit receivable on bank balance | 3 | 1 |

* Nil figures due to rounding off

** Current period figures have not been presented as the person is not a related party / connected person as at March 31, 2023.

11 FAIR VALUE MEASUREMENT

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.

11.1 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).

12 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.

13 GENERAL

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

13.2 Corresponding figures have been reclassified, wherever necessary, for the purpose of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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