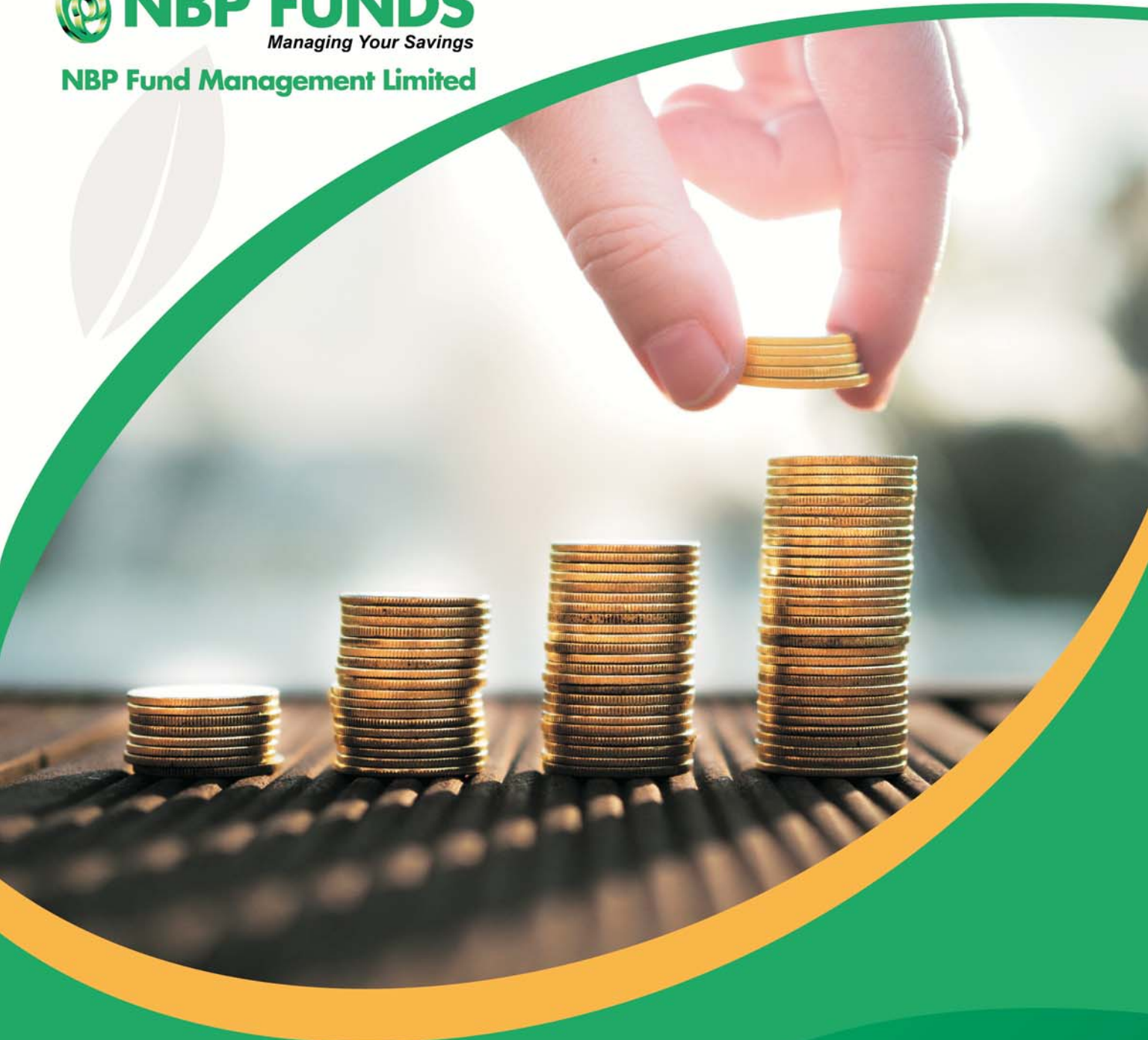




Managing Your Savings

NBP Fund Management Limited



NBP SAVINGS FUND

QUARTERLY REPORT
MARCH 31, 2023

AM1
Rated by PACRA

MISSION STATEMENT

"To become country's most
investor-focused company,
by assisting investors
in achieving their financial goals."

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION	14

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	

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited	Khushhali Microfinance Bank Limited
Al Baraka Islamic Bank Limited	Habib Metropolitan Bank Limited
Bank Islami Pakistan Limited	Mobilink Microfinance Bank Limited
Bank Alfalah Limited	
Bank Al Habib Limited	
Dubai Islamic Bank Pakistan Limited	
Faysal Bank Limited	
HBL Microfinance Bank Limited	
JS Bank Limited	
MCB Bank Limited	
National Bank of Pakistan	
Silk Bank Limited	
Soneri Bank Limited	
Telenor Microfinance Bank Limited	
The Bank of Khyber	
United Bank Limited	
U Microfinance Bank Limited	

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

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

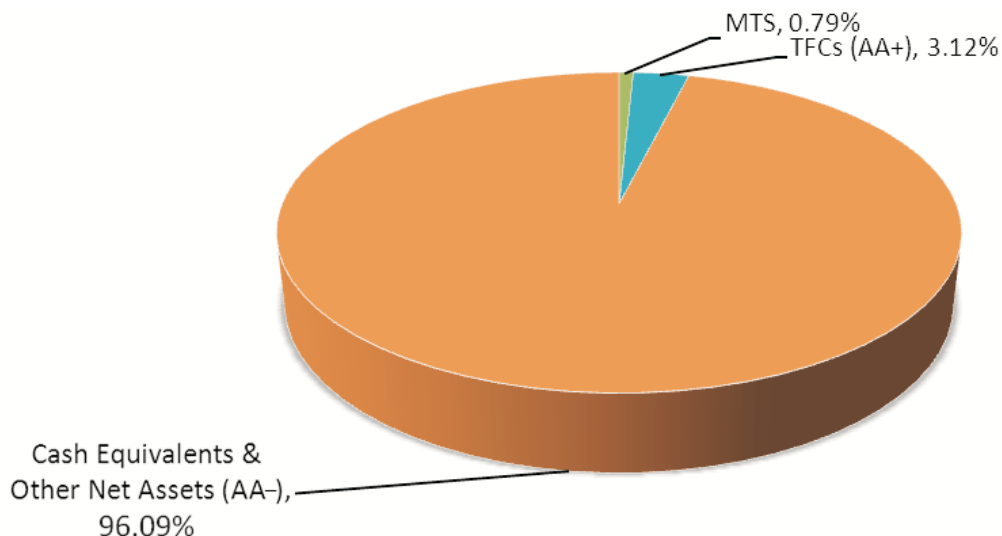
Fund's Performance

During 9MFY23, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings and increased the Policy Rate by 6.25% to 20%. Various stringent administrative measures were taken, however, near-term risks to inflation outlook from external and fiscal adjustments persisted. The CPI inflation averaging at 27.2% 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.

NBP-SF is categorized as an Income Scheme and has been awarded stability rating of 'A+ (f)' by PACRA.

The size of NBP Savings Fund has increased from Rs. 1,728 million to Rs. 3,205 million during the period (a growth of 85%). During the period, the unit price of NBP Savings Fund has increased from Rs. 9.8335 on June 30, 2022 to Rs. 10.9184 on March 31, 2023, thus showing a return of 14.7% as compared to the benchmark return of 17.1% for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 309.41 million during the period. After deducting total expenses of Rs. 48.02 million, the net income is Rs. 261.39 million. The asset allocation of NBP-SF as on March 31, 2023 is as follows:



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date April 29, 2023
Place: Karachi.

ڈائریکٹرز رپورٹ

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

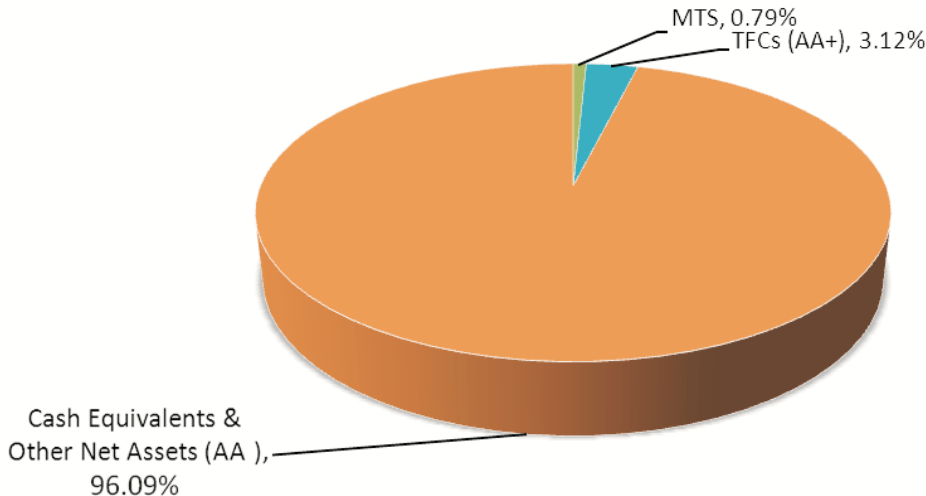
فنڈ کی کارکردگی

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

NBP-SF کی اکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A+' کی مستحکم ریٹنگ دی گئی ہے۔

موجودہ مدت کے دوران NBP سیونگ فنڈ کا سائز 1,728 بلین روپے سے بڑھ کر 3,205 بلین روپے ہو گیا (یعنی 85% کا اضافہ ہوا)۔ زیر جائزہ مدت کے دوران، NBP سیونگ فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 9.8335 روپے سے بڑھ کر 31 مارچ 2023 کو 10.9184 روپے ہو گئی۔ لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 17.1% کے مقابلے میں 14.7% منافع درج کیا ہے۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 309.41 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 48.02 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 261.39 بلین روپے ہے۔ 31 مارچ 2023 کے مطابق NBP-SF کی ایسٹ ایلوکیشن حسب ذیل ہے:





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر 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 ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فونڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 اپریل 2023

مقام: کراچی

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

		31 March 2023 Unaudited (Rupees in '000)	30 June 2022 Audited
Assets			
Bank balances	4	3,064,452	1,651,129
Investments	5	100,000	72,300
Receivable against Margin Trading System		25,184	-
Profit and other receivables		56,249	18,204
Advances, deposit and prepayments		1,286	1,123
Total Assets		3,247,171	1,742,756
Liabilities			
Payable to NBP Fund Management Limited - the Management Company		28,744	8,482
Payable to Central Depository Company of Pakistan Limited - the Trustee		233	107
Payable to Securities and Exchange Commission of Pakistan		367	302
Payable against redemption of units		10,624	256
Accrued expenses and other liabilities		2,598	5,254
Total Liabilities		42,566	14,401
Net Assets		3,204,605	1,728,355
Unit Holders' Fund (as per statement attached)		3,204,605	1,728,355
Contingency and Commitment	6		
		(Number of units)	
Number of Units in Issue		293,505,617	175,762,211
		(Rupees)	
Net Assets Value per Unit		10.9184	9.8335

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

Note	Nine months period ended		Quarter ended	
	2023	2022	2023	2022
	(Rupees in '000)			
Income				
Income from government securities	48,312	10,180	3,956	3,101
Income from term finance certificate	12,721	1,099	5,387	1,099
Income from term deposit receipts and bank balances	218,635	71,245	114,595	28,360
Income from Margin Trading System	12,663	9,645	7,553	1,643
Income on commercial paper	2,700	10,584	-	5,097
Income on Letter of Placement / Certificate of Investment	13,227	362	8,504	
Reversal of impairment	1,235	1,811	1,235	
(Loss) / Gain on sale of investments - net	(127)	(93)	-	(2)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	40	-	12	-
Total income	309,406	104,833	141,242	39,298
Expenses				
Remuneration of NBP Fund Management Limited - the Management Company	22,787	7,151	10,365	2,767
Sindh Sales Tax on remuneration of the Management Company	2,962	930	1,347	360
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	1,377	842	577	276
Sindh Sales Tax on remuneration of the Trustee	179	109	75	35
Annual fee of the Securities and Exchange Commission of Pakistan	367	225	154	74
Reimbursement of allocated expenses	2,331	1,404	998	461
Reimbursement of selling and marketing expenses	14,692	8,433	6,160	2,946
Settlement and bank charges	1,455	1,370	561	213
Annual listing fee	21	21	7	7
Auditors' remuneration	706	667	123	254
Legal and professional charges	810	1,124	603	435
Fund rating fee	273	175	79	62
Printing charges	36	27	15	9
Brokerage Expense	19	1	19	1
Total expenses	48,015	22,479	21,083	7,900
Net income from operating activities	261,391	82,354	120,159	31,398
Reversal / (Provision) for Sindh Workers' Welfare Fund	-	9,160	-	-
Net income for the period before taxation	261,391	91,514	120,159	31,398
Taxation	-	-	-	-
Net income for the period after taxation	261,391	91,514	120,159	31,398
Allocation of net income for the period				
Net income for the period	261,391	91,514	120,159	31,398
Income already paid on units redeemed	(26,358)	(4,583)	(17,439)	(2,209)
	235,033	86,931	102,720	29,189
Accounting income available for distribution:				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	235,033	86,931	102,720	29,189
	235,033	86,931	102,720	29,189

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

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

	<u>Nine months period ended</u>		<u>Quarter Ended</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	----- (Rupees in '000) -----			
Net income for the period after taxation	261,391	91,514	120,159	31,398
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>261,391</u>	<u>91,514</u>	<u>120,159</u>	<u>31,398</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	Nine months period ended					
	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	1,719,315	9,040	1,728,355	1,526,730	5,275	1,532,005
Issuance of 221,535,465 units (2022: 31,715,369 units)						
- Capital value	2,178,466	-	2,178,466	311,052	-	311,052
- Element of income	123,029	-	123,029	7,319	-	7,319
Total proceeds on issuance of units	2,301,495	-	2,301,495	318,371	-	318,371
Redemption of 103,792,059 units (2022: 42,976,359 units)						
- Capital value	(1,020,638)	-	(1,020,638)	(421,495)	-	(421,495)
- Element of loss	(39,640)	(26,358)	(65,998)	(4,581)	(4,583)	(9,164)
Total payments on redemption of units	(1,060,278)	(26,358)	(1,086,636)	(426,076)	(4,583)	(430,659)
Total comprehensive income for the period	-	261,391	261,391	-	91,514	91,514
Net assets at end of the period	2,960,532	244,073	3,204,605	1,419,025	92,206	1,511,231
Undistributed income brought forward						
- Realised		9,040			5,275	
- Unrealised		-			-	
		<u>9,040</u>			<u>5,275</u>	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		235,033			86,931	
		<u>235,033</u>			<u>86,931</u>	
Undistributed income carried forward		<u>244,073</u>			<u>92,206</u>	
Undistributed income carried forward						
- Realised		244,033			92,206	
- Unrealised		40			-	
		<u>244,073</u>			<u>92,206</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>9.8335</u>			<u>9.8076</u>
Net assets value per unit at end of the period			<u>10.9184</u>			<u>10.4262</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

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

	<u>Nine months period ended</u>	
	2023	2022
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	261,391	91,514
Adjustments for:		
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(40)	-
Loss / (Gain) on sale of investments - net	127	93
	<u>261,478</u>	<u>91,607</u>
(Increase) / Decrease in assets		
Investments - net	(27,787)	(223,362)
Receivable against Margin Trading System	(25,184)	107,206
Profit and other receivables	(38,045)	(3,142)
Deposits, prepayment and other receivables	(163)	(170)
	<u>(91,179)</u>	<u>(119,468)</u>
Increase / (Decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	20,262	208
Payable to Central Depository Company of Pakistan Limited - the Trustee	126	4
Payable to Securities and Exchange Commission of Pakistan	65	(87)
Accrued expenses and other liabilities	(2,656)	(15,241)
	<u>17,797</u>	<u>(15,116)</u>
Net cash generated / (used in) from operating activities	<u>188,096</u>	<u>(42,977)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issue of units	2,301,495	318,371
Payments against redemption of units	(1,076,268)	(435,478)
Net cash generated / (used in) from financing activities	1,225,227	(117,107)
Net increase / (decrease) in cash and cash equivalents during the period	<u>1,413,323</u>	<u>(160,084)</u>
Cash and cash equivalents at beginning of the period	1,651,129	1,439,201
Cash and cash equivalents at end of the period	<u>4</u> <u>3,064,452</u>	<u>1,279,117</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Savings 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 14 December 2007 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on October 18, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund is an open-ended mutual fund, categorised as an income scheme as per the criteria for categorisation of open end collective investment scheme as specified by the Securities and Exchange Commission of Pakistan (SECP) and the Fund is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The investment objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 on June 22, 2022 (June 30, 2022: AM1). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has updated the stability rating of the Fund at "A+(f)" dated October 19, 2022 (June 30, 2022: "A+(f)" on April 19, 2022).
- 1.6 Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 The Fund also provides accidental death (free), life insurance / life takaful and health coverage to unit holders of the Fund as stated in the Offering Document.

The cost of premium is borne by the investor (where applicable). Such premium cost is deducted from the unit holder's investment on a monthly basis in case of life insurance and annual basis in case of health insurance and deposited with the Insurance Company / Takaful Operator by the Management Company as per the terms and conditions of the Insurance / Takaful coverage defined in the Insurance / Takaful policy document signed between the Insurance Company / Takaful Operator and Management Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	(Rupees in '000)	
4 BANK BALANCES		
Balances with banks in:		
Savings accounts	<u>3,064,452</u>	<u>1,651,129</u>
	<u>3,064,452</u>	<u>1,651,129</u>

5 INVESTMENTS

Investments by category	Note	31 March	30 June
		2023	2022
		Unaudited	Audited
		(Rupees in '000)	
At fair value through profit or loss			
Term finance certificates - listed	5.1	-	-
Term finance certificates - unlisted	5.2	-	-
Sukuks	5.3	-	-
Government securities - Market Treasury Bills	5.4	-	-
Commercial Paper	5.5	-	72,300
Short term - Sukuks certificates	5.6	100,000	-
		100,000	72,300

5.1 Term finance certificates - listed

All certificates have a face value of Rs. 5,000 each unless stated otherwise.

Name of the investee company	Tenor	As at 01 July 2022	Purchases during the period	Sales / matured during the period	As at 31 March 2023	Market value / Carrying value as at 31 March 2023	Market value / Carrying value as a percentage of net assets	Market value / carrying value as a percentage of total investments
		----- (Number of certificates) -----				(Rupees in '000)	----- (%) -----	
Saudi Pak Leasing Company Limited (Note 5.1.1)	05 years	15,000	-	-	15,000	-	-	-
Worldcall Telecom Limited (Note 5.1.2)	13 years	14,000	-	-	14,000	-	-	-
		29,000	-	-	29,000	-	-	-

5.1.1 This represents investment in listed term finance certificates with original term of five years. On 13 October 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its terms on 26 December 2011 with new maturity in March 2017. The investee company again defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since 30 April 2014. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of said circulars.

5.1.2 This represents investment in listed term finance certificates of Worldcall Telecom Limited. On 07 April 2012, the investee company defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP. The amount of provision required as per SECP circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

5.2 Term finance certificates - Unlisted

All certificates have a face value of Rs. 5,000 each unless stated otherwise.

Name of the investee company	Tenor	As at 01 July 2022	Purchases during the period	Sales / matured during the period	As at 31 March 2023	Market value/ Carrying value as at 31 March 2023	Market value / Carrying value as a percentage of net assets	Market value/ carrying value as a percentage of total investments
			-----Number of certificates-----		(Rupees in '000)		-----(%)------	
Agritech Limited II (Note 5.2.1)	10 years	30,000	-	-	30,000	-	-	-
Agritech Limited V (Note 5.2.2)	5 years	4,436	-	-	4,436	-	-	-
		<u>34,436</u>	<u>-</u>	<u>-</u>	<u>34,436</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.2.1 This represents investment in Privately Placed unlisted Term Finance Certificates (PPTFCs) with a term of seven years. On 14 July 2010 the investee company defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing by MUFAP since 02 August 2010. The amount of provision as per circular no.1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

5.2.2 This represents investment in Privately Placed Term Finance Certificates (PPTFC) of Agritech V received against due markup of Agritech I. The investee company defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since 17 January 2012. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

5.3 Sukuks - Unlisted

All sukuks have a face value of Rs. 5,000 each unless stated otherwise.

Name of the investee company	Tenor	As at 01 July 2022	Purchases during the period	Sales / matured during the period	As at 31 March 2023	Market value/ Carrying value as at 31 March 2023	Market value / Carrying value as a percentage of net assets	Market value/ carrying value as a percentage of total investments
			-----Number of certificates-----		(Rupees in '000)		-----(%)------	
New Allied Electronics (Private) Limited (Note 5.3.1)	11 years	10,000	-	-	10,000	-	-	-
Eden Housing Limited (Note 5.3.2)	12 years	20,000	-	-	20,000	-	-	-
		<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.3.1 This represents investment in privately placed sukuks with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since 09 January 2009. The amount of provision as per circular 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

5.3.2 This represents investment in privately placed sukuks with a term of five years. On 06 May 2011, the investee company defaulted its principal and profit payment and therefore it was classified as non performing asset by MUFAP. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

5.3.3 The Sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

5.4 Investments in government securities

Issue date	Tenor	Face value				Market value / Carrying value as at 31 March 2023	Market value / Carrying value as a percentage of net assets	Market value / Carrying value as a percentage of total investments
		As at 01 July 2022	Purchases during the period	Sales / matured during the period	As at 31 March 2023			

----- (Rupees in '000) ----- (%) -----

Market Treasury Bills

June 16, 2022	3	-	1,000,000	1,000,000	-	-	-	-
June 30, 2022	3	-	1,000,000	1,000,000	-	-	-	-
July 14, 2022	3	-	1,000,000	1,000,000	-	-	-	-
July 28, 2022	3	-	800,000	800,000	-	-	-	-
August 11, 2022	3	-	900,000	900,000	-	-	-	-
August 25, 2022	3	-	700,000	700,000	-	-	-	-
September 22, 2022	3	-	700,000	700,000	-	-	-	-
October 6, 2022	3	-	800,000	800,000	-	-	-	-
October 20, 2022	3	-	100,000	100,000	-	-	-	-
January 5, 2023	3	-	100,000	100,000	-	-	-	-
January 6, 2023	3	-	100,000	100,000	-	-	-	-
February 6, 2023	3	-	100,000	100,000	-	-	-	-
February 7, 2023	3	-	100,000	100,000	-	-	-	-
Total		-	7,400,000	7,400,000	-	-	-	-

Carrying value before fair value adjustments as at 31 March 2023.

5.5 Commercial papers

Name of the security	Rating	Face value				Carrying /Market Value as at March 31, 2023	Market value as % of	
		As at July 1, 2022	Purchased during the period	Disposed off / matured during the period	As at March 31, 2023		Total invest-ments	Net assets

Power generation & distribution

China Power Hub Generation Company Limited	AA+, PACRA	75,000	-	75,000	-	-	-	-
Total					-	-	-	-

5.6 Short term - Sukuks certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the period	Sold / Redeemed during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at December 31, 2022
Power generation & distribution									
K-Electric short term sukuk - 7	Semi- annually	February 10, 2023	6 months KIBOR plus base rate of 1.35%	-	45,000	45,000	-	-	
K-Electric short term sukuk - 10	Semi- annually	April 05, 2023	6 months KIBOR plus base rate of 1.45%	-	100,000	-	100,000	100,000	100,000
Total as at March 31, 2023								100,000	100,000

6 CONTINGENCIES AND COMMITMENTS

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

7 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.80% 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, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 2.61% (March 31, 2022: 1.84%) which includes 0.19% (March 31, 2022: 0.11%) representing Government Levy, Sindh Worker's Welfare Fund 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.

10 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the Fund as 'Income Scheme'.

The Clause (IV) of the categorisation criteria requires that not more than 15% of the net assets shall be invested in non traded securities including reverse repos, bank deposits, certificates of investments (COI), certificates of musharakas (COM) and anything over 6 months maturity which is not a marketable security. Clause (v) of the categorisation criteria requires that the ratings of any security in the portfolio of the Fund shall not be lower than investment grade. However, as at March 31, 2023, the Fund is in non-compliance with the above-mentioned requirements in respect of the following:

Type of Investment	Clause of Non Compliance	Name of Non-Compliant Investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
TFC		Agritech Limited II	148,641	148,641	-	-	-
TFC		Agritech Limited V	22,180	22,180	-	-	-
TFC	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular no. 7 of 2009	Worldcall Telecom Limited	21,516	21,516	-	-	-
TFC		Saudi Pak Leasing Company Limited New Allied Electronics Industries (Private) Limited -	41,321	41,321	-	-	-
Sukuk		Eden Housing - Sukuk II	19,688	19,688	-	-	-

11 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

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

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

	Unaudited	
	Nine months period ended	
	2023	2022
	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Management remuneration	22,787	7,151
Sindh Sales Tax on remuneration of Management Company	2,962	930
Sales and transfer load charged	19,645	1,053
Reimbursement of operational expenses to the Management Company	2,331	1,404
Reimbursement Selling and marketing expense	14,692	8,433
ADC charges including Sindh Sales Tax	140	55
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee	1,377	842
Sindh Sales Tax on remuneration of Trustee	179	109
CDS Charges	143	256
Employees of the Management Company		
1,303,879 units issued (2022: 139,641 units)	13,355	1,439
2,168,742 units redeemed (2022: 222,617 units)	21,962	2,296
National Clearing Company of Pakistan Limited* (Common Directorship)		
NCCPL Charges	-	249
Laqa and Levy charges	-	739

	Unaudited	
	Nine months period ended	
	2023	2022
	(Rupees in '000)	
Bank Islami Pakistan Limited (Common Directorship)		
Markup on Bank Deposit	958	89
Khushhali Microfinance Bank Limited (Common Directorship)*		
Markup on bank deposit	-	7,708
Telenor Microfinance Bank Limited (Common Directorship)		
Markup on bank deposit	-	-
National bank of Pakistan		
Purchase of treasury bills	-	273,417
K-Electric Limited***		
Purchase of short term sukuk	145,000	-
Profit of sukuk certificate	12,721	-
11.6 Amounts outstanding as at period / year end:		
	31 March	30 June
	2023	2022
	Unaudited	Audited
	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Management remuneration payable	4,008	1,458
Sind Sales Tax payable	521	190
Allocation of operational expenses from the Management Company	998	483
Sales and transfer load	12,486	359
Sind Sales Tax payable on sales load	1,623	48
Reimbursement Selling and marketing expense	6,159	3,091
Federal Excise Duty on remuneration of the Management Company	2,808	2,808
ADC Shares and Sindh Sales Tax payable	141	45
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	206	95
Sindh Sales Tax payable	27	12
Security deposit	100	100
CDC charges payable	18	27
National Bank of Pakistan (Common Directorship)		
Bank balance	1,454	216
K.T.H CP Fund (M.T.I) (unit holder with more than 10 % holding)		
Units held: 43,110,388 units (2022: 28,937,884 units)	470,696	284,261
NBP Employees pension fund		
(Pension fund of the parent of Management Company)		
Units held: 87,369,695 units (2022: 87,369,695 units)	953,937	859,150
Employees of the Management Company		
Units held: 189,816 units (2022: 1,054,679 units)	2,072	10,371
Bank Islami Pakistan Limited (Common Directorship)		
Bank Balance	14,807	7,364
Profit receivable	114	85
National Clearing Company of Pakistan Limited		
(Common Directorship)*		
Security Deposit	-	250
NCCPL Charges payable	-	-

	31 March 2023 Unaudited	30 June 2022 Audited
	(Rupees in '000)	
Khushhali Microfinance Bank Limited (Common Directorship)*		
Bank Balance	-	2,682
Mark-up on Bank Balance	-	412
Telenor Microfinance Bank Limited (Common Directorship)		
Bank Balance	107	6
Mark-up on Bank Balance	2	18
Fauji Fertilizer Company Limited (Common Directorship)		
Units held: Nil units (2022: 37 units)	-	-
Portfolios Managed by Management Company		
Units held: 33 units (2022: 725,726 units)	-	7,136
K-electric Limited***		
Sukuk certificates	100,000	-
Profit receivable on sukuk certificates	8,811	-

* Current balances with this party has not been disclosed as it did not remain connected person and related party as at the period end.

** Comparative balances with these parties have not been disclosed as these parties were not related parties in the last term.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

12.1 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).

13 DATE OF AUTHORISATION FOR ISSUE

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

14 GENERAL

14.1 Figures have been rounded off the nearest thousand rupees, unless otherwise is specified.

14.2 Corresponding figures have been rearranged and 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

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

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpffunds.com

Website: www.nbpffunds.com

 /nbpffunds