



Managing Your Savings

NBP Fund Management Limited



NBP FINANCIAL SECTOR INCOME FUND

ANNUAL REPORT
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	07
TRUSTEE REPORT TO THE UNIT HOLDERS	13
FUND MANAGER REPORT	14
INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS	17
STATEMENT OF ASSETS AND LIABILITIES	20
INCOME STATEMENT	21
STATEMENT OF COMPREHENSIVE INCOME	22
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	23
CASH FLOW STATEMENT	24
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	25
PERFORMANCE TABLE	60

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 & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Saad Amanullah Khan	Member

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	Member

Trustee

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

Bankers to the Fund

MCB Bank Limited	Soneri Bank Limited
JS Bank Limited	Zarai Taraqiyate Bank Limited
Meezan Bank Limited	MCB Islamic Bank Limited
Habib Bank Limited	Faysal Bank Limited
United Bank Limited	The Bank of Punjab
Bank Alfalah Limited	Albaraka Bank of Pakistan
Bank Al Habib Limited	Bank Islami Pakistan Limited
Askari Bank Limited	U Microfinance Bank Limited
Habib Metropolitan Bank Limited	Telenor Microfinance Bank
Allied Bank Limited	Khushhali Microfinance Bank Limited
National Bank of Pakistan	HBL Microfinance Bank Limited
	Mobilink Microfinance Bank Limited
	Dubai Islamic Bank Limited



Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

Legal Advisor

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

Head Office:

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

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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Saad Amanullah Khan
Director



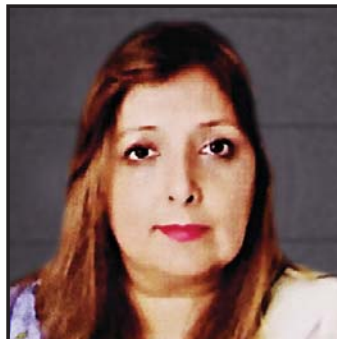
Mr. Tauqeer Mazhar
Director



Mr. Ali Saigol
Director



Mr. Ruhail Muhammad
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Business
Development Officer



Mr. Muhammad Imran, CFA, ACCA
Head of Portfolio Management



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Shahzad Mithani
Head of Corporate &
HNWIs Sales - South



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Mr. Waheed Abidi
Head of Internal Audit



Mr. Hassan Raza, CFA
Head of Research



Mr. Mustafa Farooq
Head of Compliance

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the 12th Annual Report of **NBP Financial Sector Income Fund (NFSIF)** for the year ended June 30, 2023.

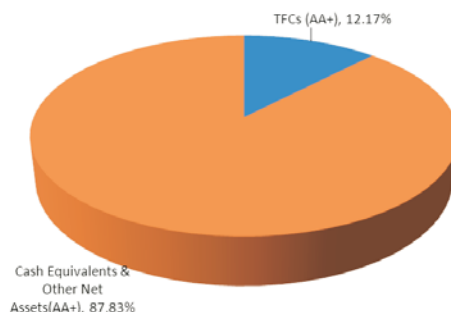
Fund's Performance

During FY23, the State Bank's Monetary Policy Committee (MPC) conducted nine meetings and raised the policy rate by 825 basis points to 22% to anchor inflationary pressures, achieve price stability, ensure economic sustainability, and ease currency pressure, all while taking into account domestic uncertainty and continued stress on the external account. The monthly inflation reached a multi-decade high level of 38% in May 2023, and the outlook is subject to prevailing domestic uncertainty and external vulnerabilities, undermining medium and short-term growth. Additionally, debt repayments amid lower fresh disbursements and weak investment inflows continue to exert pressure on FX reserves. The net liquid foreign exchange reserves with the State Bank of Pakistan (SBP) were recorded at USD 4.5 billion in June 2023, depleting by USD 5.3 billion during FY23, posing challenges and risks to financial stability and fiscal consolidation. Sovereign yields also responded to these policy actions, the rising inflation and interest rate outlook. Market participants' interest remained tilted towards shorter tenure due to political and economic uncertainty. SBP held twenty-seven (27) T-Bill auctions, realizing Rs. 25.1 trillion against a target of Rs. 24.4 trillion and maturity of Rs. 23.5 trillion. T-Bill yields increased by 767 bps, 772 bps, and 763 bps for 3 months, 6 months and 12 months, respectively.

The Fund is unique as it invests a minimum 70% of its assets in financial sector (mainly banks) debt securities, instruments or deposits. Minimum entity/instrument rating of debt securities is 'AA-'. This minimizes credit risk and at the same time enhances the liquidity of the Fund. Duration of the Fund cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances the liquidity profile of the Fund. The Fund has been assigned 'A+ (f)' fund stability rating by PACRA. The trading activity in corporate bonds remained slow, with the cumulative traded value standing at Rs. 7.9 billion (a 23% decrease from last year). However, the market witnessed some fresh issuance of TFCs and Sukuks, mostly in the Power & Distribution and Banking sectors.

The size of NBP Financial Sector Income Fund has decreased from Rs. 39,200 million to Rs. 25,717 million during the period (a decline of 34%). During the period, the unit price of the Fund has increased from Rs. 8.9792 (Ex-Div) on June 30, 2022 to Rs. 10.6271 on June 30, 2023, thus showing a return of 18.35% as compared to the benchmark return of 18.34% for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 8,648.63 million during the year. After deducting total expenses of Rs. 598.26 million, the net income is Rs. 8,050.37 million. The asset allocation of NBP Financial Sector Income Fund as on June 30, 2023 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 16.33% of the opening ex-NAV (17.23% of the par value) during the year ended June 30, 2023.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, as reduced by accumulated losses and capital gains, whether realized or unrealized, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, Messrs Yousuf Adil & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2024.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the year. The attendance of all directors is disclosed in the note 23 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 22 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. For the year ended June 30, 2023, the Board included:

Category	Names
Independent Directors	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Ruhail Muhammad 4. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Tauqeer Mazhar 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

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: September 15, 2023
Place: Karachi.

ڈائریکٹرز رپورٹ

فنڈ کی کارکردگی

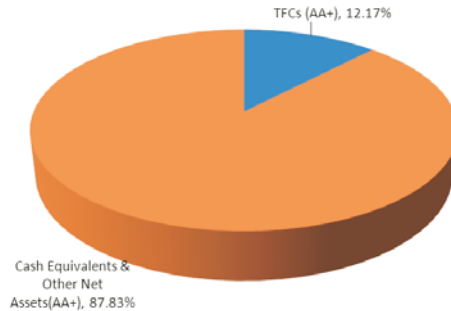
مالی سال 23 کے دوران، اسٹیٹ بینک کی مانیٹری پالیسی کمیٹی (MPC) نے 19 اجلاس منعقد ہوئے اور ملکی غیر یقینی صورتحال اور بیرونی اکاؤنٹ پر مسلسل دباؤ کی وجہ سے افراط زر کے دباؤ کو روکنے، قیمتوں میں استحکام حاصل کرنے، اقتصادی استحکام کو یقینی بنانے، اور کرنسی کے دباؤ کو کم کرنے کے لیے پالیسی شرح کو 825 بیسس پوائنٹس بڑھا کر 22% کر دیا۔ ماہانہ افراط زر مئی 2023 میں کئی دہائیوں کی بلند ترین سطح 38 فیصد تک پہنچ گیا، اور نقطہ نظر میں وجہ ملکی غیر یقینی صورتحال اور بیرونی خطرات سے شرط ہے، جو درمیانی اور قلیل مدتی نمونوں کو زور دے رہا ہے۔ مزید برآں، کم نئے افلاز اور کمزور سرمایہ کاری کے درمیان قرض کی ادائیگی زرمبادلہ ذخائر پر دباؤ ڈال رہی ہے۔ اسٹیٹ بینک آف پاکستان (SBP) کے ہاں خالص لیکویڈ غیر ملکی زرمبادلہ کے ذخائر جون 2023 میں 4.5 بلین امریکی ڈالر ریکارڈ کیے گئے، جو مالی سال 23 کے دوران 5.3 بلین امریکی ڈالر کی کمی سے مالی استحکام اور مالیاتی کنسولیدیشن کے لیے چیلنجز اور خطرات کا باعث بنے ہیں۔ گورنمنٹ بونڈز منافعوں نے بھی ان پالیسی اقدامات اور بڑھتی ہوئی افراط زر اور شرح سود کے نقطہ نظر کا جواب دیا۔ سیاسی اور معاشی غیر یقینی صورتحال کی وجہ سے مارکیٹ کے شرکاء کی دلچسپی کا بھکاؤ مختصر مدت کی طرف رہا۔ SBP نے سٹائیکس (27) ٹی بل نیلامیوں کا انعقاد کیا، جس میں 24.4 ٹریلین روپے کے ہدف اور 23.5 ٹریلین روپے کی میچورٹی کے مقابل 25.1 ٹریلین روپے کی وصولی ہوئی۔ ٹی بلز کی 3 ماہ، 6 ماہ اور 12 ماہ کی پیداوار میں بائرنٹییب 767 bps، 772 bps اور 763 bps کا اضافہ ہوا۔

یہ فنڈ منفرد ہے کیونکہ یہ اپنے اثاثوں کا کم از کم 70% مالیاتی شعبے (بنیادی طور پر بینکوں) کے قرضوں کی سیکورٹیز، آلات یا ڈپازٹس میں لگاتا ہے۔ قرض کی ضمانتوں کی کم از کم ہستی/آل کی درجہ بندی 'AA-' ہے۔ یہ کریڈٹ رسک کو کم کرتا ہے اور ساتھ ہی ساتھ فنڈ کی لیکویڈٹی کو بڑھاتا ہے۔ فنڈ کی مدت ایک سال سے زیادہ نہیں ہو سکتی۔ یہ شرح سود یا قیمتوں کے خطرے کو کم کرتا ہے۔ فنڈ اپنے اثاثوں کا 25% 90 دنوں سے بھی کم وقت میں T-Bills یا بینکوں کے ہاں بچت کھاتوں میں لگاتا ہے، جس سے فنڈ کی لیکویڈٹی پر فائل میں مزید اضافہ ہوتا ہے۔ فنڈ کو PACRA کی طرف سے 'A+(f)' کی مستحکم ریٹنگ تفویض کی گئی ہے۔

کارپوریٹ بانڈز میں تجارتی سرگرمی سست رہی، جس کی مجموعی تجارت کی قیمت 7.9 بلین روپے (گزشتہ سال کے مقابلے میں 23 فیصد کمی) رہی۔ تاہم، مارکیٹ میں TFCS اور سلوک کے چند، زیادہ تر پاور اینڈ ڈسٹری بیوشن اور بینکنگ کے شعبوں میں نئے اجراء کا مشاہدہ کیا گیا۔

NBP فنانشل سیکٹرز اکم فنڈ کا سا سز 39,200 ملین روپے سے کم ہو کر 25,717 ملین روپے ہو گیا، یعنی 34% کی کمی ہوئی۔ تاہم، مذکورہ مدت کے دوران فنڈ کے پوزٹ کی قیمت 30 جون 2022 کو 9.9792 (Ex-Div) روپے سے بڑھ کر 30 جون 2023 کو 10.6271 روپے ہو چکی ہے، لہذا فنڈ نے اسی مدت کے دوران 18.34% نتیجہ مارک منافع کے مقابلے میں 18.35% منافع دیا۔ فنڈ کا یہ منافع منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو سال کے دوران 8,648.63 ملین روپے کی کل آمدنی ہوئی۔ 598.26 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد، خالص آمدنی 8,050.37 ملین روپے ہے۔ 30 جون 2023 کے مطابق NBP فنانشل سیکٹرز فنڈ کی ایٹ ایبلویشن حسب ذیل ہے:



آمدنی کی تقسیم

منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2023 کے اختتام کے بعد ایڈجسٹڈ ex-NAV کا 16.33% (بنیادی قدر کا 17.23%) عبوری فنڈ منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین اور جمع شدہ نقصانات منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر ایکس آر ڈیٹنس 2001 کے دوسرے شیڈول کے حصہ اول کی شرح 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2024 کو ختم ہونے والے سال کے لئے اپنے آپ کو دوبارہ تقرری کے لئے پیش کر رہے ہیں۔

لسٹڈ کمپنیوں کے بورڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

1. منجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کمپنی فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شمار یا تو تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی روائوں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 23 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیرین مالیاتی گوشواروں کے نوٹ 22 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ زیر جائزہ مدت 30 جون 2023 کے دوران بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل رہا۔

نام	کیٹگری
•1 جناب خالد منصور •2 جناب سعد امان اللہ خان •3 جناب روئیل محمد •4 جناب ہمایوں بشیر	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
•1 شیخ محمد عبدالواحد سیٹھی (چیرمین) •2 جناب توقیر مظہر •3 محترمہ مہنا سالار •4 جناب علی سیدگل •5 جناب عمران ظفر	نان ایگزیکٹو ڈائریکٹرز



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 فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 15 ستمبر 2023ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Financial Sector Income Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 27, 2023

FUND MANAGER REPORT

NBP Financial Sector Income Fund

NBP Financial Sector Income Fund (NFSIF) is an Open-End Income Scheme.

Investment Objective of the Fund

The objective of NBP Financial Sector Income Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.

Benchmark

6-Month KIBOR.

Fund Performance Review

This is the 12th Annual report since the launch of the Fund on October 28, 2011. The Fund size decreased by 34% and stands at Rs. 25.7 billion as of June 30, 2023. During FY23 the Fund posted a return of 18.4% versus the benchmark return of 18.3%. The Fund's return since inception is 10.0% p.a. During the same period, the benchmark return has been 9.5% p.a. This translates into outperformance of 0.5% p.a. This outperformance is net of management fee and all other expenses.

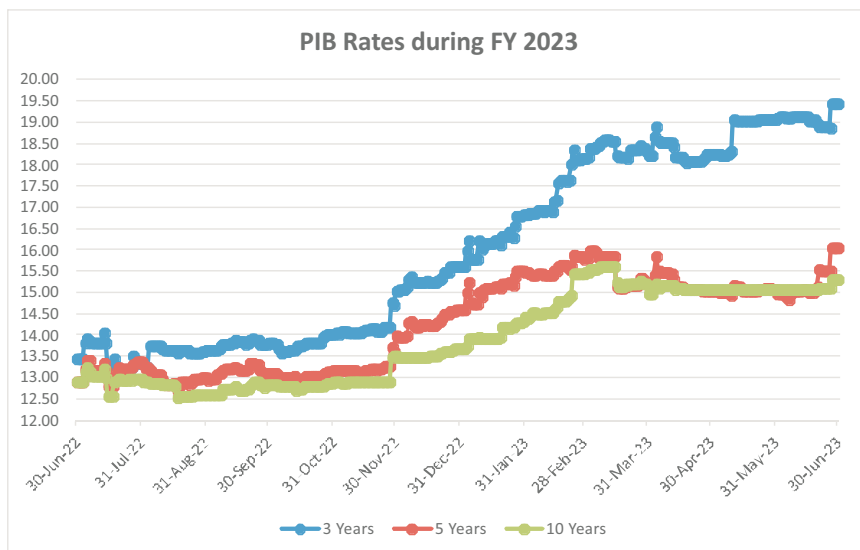
The Fund is unique as it invests a minimum of 70% of its assets in the financial sector (mainly banks) debt securities, instruments, or deposits. The minimum entity/instrument rating of debt securities is AA. This minimizes credit risk and at the same time enhances the liquidity of the Fund. The duration of the Fund cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances the liquidity profile of the Fund.

The trading activity in corporate bonds remained slow, with the cumulative traded value standing at Rs. 7.9 billion (a 23% decrease from last year). However, the market witnessed some fresh issuance of TFCs and Sukuks, mostly in the Power & Distribution and Banking sectors. During FY23, the State Bank's Monetary Policy Committee (MPC) conducted nine meetings and raised the policy rate by 825 basis points to 22% to anchor inflationary pressures, achieve price stability, ensure economic sustainability, and ease currency pressure, all while taking into account domestic uncertainty and continued stress on the external account. The monthly inflation reached a multi-decade high level of 38% in May 2023, and the outlook is subject to prevailing domestic uncertainty and external vulnerabilities, undermining medium- and short-term growth. Additionally, debt repayments amid lower fresh disbursements and weak investment inflows continue to exert pressure on FX reserves. The net liquid foreign exchange reserves with the State Bank of Pakistan (SBP) were recorded at USD 4.5 billion in June 2023, depleting by USD 5.3 billion during FY23, posing challenges and risks to financial stability and fiscal consolidation. Sovereign yields also responded to these policy actions and the rising inflation and interest rate outlook. Market participants' interest remained tilted towards shorter tenors due to political and economic uncertainty. SBP held twenty-seven (27) T-Bill auctions, realizing Rs. 25.1 trillion against a target of Rs. 24.4 trillion and maturity of Rs. 23.5 trillion. T-Bill yields increased by 767 bps, 772 bps, and 763 bps for 3 months, 6 months and 12 months, respectively. Besides, SBP held thirteen (13) PIB auctions and realized Rs. 1.3 trillion, where the yields from June 2022 levels were increased by 6.02%, 3.15% and 2.40% for 3 years, 5 years and 10 years, respectively.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-23	30-Jun-22
Term finance certificates	12.17%	9.60%
Certificate of investments	-	3.01%
Pakistan Investment Bonds	-	0.09%
Cash (Cash Equivalents) & Other Assets	87.83%	87.30%
Total	100.00%	100.00%

PIB yields during the year are shown in the below graph:



Distribution for the Financial Year 2023

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Aug-22	2.597%	10.8107	10.5510
Oct-22	2.581%	10.8091	10.5510
Dec-22	2.738%	10.8248	10.5510
Feb-23	2.930%	10.8440	10.5510
Apr-23	3.193%	10.8703	10.5510
May-23	1.081%	10.6591	10.5510
Jun-22	2.111%	10.7621	10.5510

Unit Holding Pattern of NBP Financial Sector Income Fund as on June 30, 2023

Size of Unit Holding (Units)1-1000	# of Unit Holders
1-1000	2165
1001-5000	501
5001-10000	248
10001-50000	929
50001-100000	567
100001-500000	1151
500001-1000000	317
1000001-5000000	291
5000001-10000000	32
10000001-100000000	24
100000001-1000000000	2
Total	6227

During the period under question:

There has been no significant change in the state of affairs of the Fund. NBP Financial Sector Income Fund does not have any soft commission arrangement with any broker in the industry.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the unit holders of NBP Financial Sector Income Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **NBP Financial Sector Income Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and NBP Fund Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Valuation and existence of investment</p> <p>Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represent a significant portion of the net assets of the Fund.</p> <p>The Fund's primary activity is, inter alia, to invest in Equity Securities, Government Securities (treasury bills and Pakistan investment bonds), term finance certificates, letter of placement, term deposits receipt, certificate of investment and commercial paper which are the main driver of the Fund's performance.</p> <p>Considering the above factors, the valuation and existence are significant areas during our audit due to which we have considered this as a key audit matter.</p>	<ul style="list-style-type: none"> Obtained an understanding of relevant controls placed by the Management Company applicable to the balance; Independently verified existence of investments from Central Depository Company (CDC) account Statement, Investment Portfolio Services (IPS), bank confirmations and other relevant documents; Performed test of details on sale, purchase and maturity of investments on a sample basis by inspecting deal tickets, counterparty confirmation, broker confirmation and bank statements; and Tested valuation of investments by independently tracing rate to externally quoted market prices and Pakistan revaluation rates (PKRV)

Information other than the financial statements and auditor's report thereon

Management Company is responsible for the other information. The other information comprises the information (Directors' Report, Fund Manager Report & Trustee Report to the Unit Holders) included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management Company and Those Charged with Governance for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance of Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance of Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Nadeem Yousuf Adil**.

Chartered Accountants

Place: Karachi

Date: September 21, 2023

UDIN: AR202310091vTqwZPBLH

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

	Note	2023 ----- (Rupees in '000) -----	2022 -----
Assets			
Bank balances	5	22,361,339	33,577,976
Investments	6	3,129,531	4,980,022
Profit receivables	7	525,484	270,970
Receivables from funds under management by Management Company against conversion of units		29,778	643,253
Advance, deposit and prepayment	8	6,943	6,617
Total assets		26,053,075	39,478,838
Liabilities			
Payable to NBP Fund Management Limited - Management Company	9	69,603	65,197
Payable to Central Depository Company of Pakistan Limited - Trustee	10	1,706	2,804
Payable to Securities and Exchange Commission of Pakistan	11	9,830	8,598
Payable against redemption / conversion of units		145,723	23,339
Accrued expenses and other liabilities	12	109,410	178,794
Total liabilities		336,272	278,732
Net assets		25,716,803	39,200,106
Unitholders' fund (as per statement attached)		25,716,803	39,200,106
Contingency and commitment	13	-	-
		(Number of units)	
Number of units in issue	14	2,419,928,803	3,715,311,951
		(Rupees)	
Net assets value per unit		10.6271	10.5510

The annexed notes 1 to 27 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees in '000)	2022 -----
Income			
Loss on sale of investments		(11,635)	(18,450)
Income on spread transactions		188	49,874
Dividend income - spread transactions (listed)		-	1,943
Income from term deposit receipts		-	9,041
Income from term finance certificates, sukuks and commercial papers		692,514	471,508
Income from government securities		452,941	166,512
Income from letter of placement		697,980	351,439
Income from certificate of investment		-	4,899
Income from margin trading system		46,046	6,201
Profit on bank deposits		6,814,578	3,522,585
Net unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss'		(43,978)	41,199
Total income		8,648,634	4,606,751
Expenses			
Remuneration to NBP Fund Management Limited - Management Company	9.1	279,358	145,867
Sindh Sales Tax on remuneration to Management Company	9.2	36,317	18,963
Remuneration to Central Depository Company of Pakistan Limited - Trustee	10.1	36,863	32,244
Sindh Sales Tax on remuneration to Trustee	10.2	4,792	4,192
Reimbursement of selling and marketing expenses	9.3	162,076	80,554
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	64,019	49,798
Annual fee - Securities and Exchange Commission of Pakistan		9,830	8,598
Settlement and bank charges		2,810	1,000
Auditors' remuneration	15	816	993
Mutual fund rating fee		538	484
Securities transaction cost		453	5,922
Legal and professional charges		301	306
Annual listing fee		28	28
Other charges		66	192
Total expenses		598,267	349,141
Net income from operating activities		8,050,367	4,257,610
Reversal / (Provision) for Sindh Workers' Welfare Fund	12.1	-	74,725
Net income for the year before taxation		8,050,367	4,332,335
Taxation	16	-	-
Net income for the year		8,050,367	4,332,335
Allocation of net income for the year			
Net income for the year		8,050,367	4,332,335
Income already paid on units redeemed		(1,819,607)	(1,614,093)
		6,230,760	2,718,242
Accounting income available for distribution:			
- Relating to capital gains		-	22,749
- Excluding capital gains		6,230,760	2,695,493
		6,230,760	2,718,242

The annexed notes 1 to 27 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees in '000) -----	
Net income for the year	8,050,367	4,332,335
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>8,050,367</u></u>	<u><u>4,332,335</u></u>

The annexed notes 1 to 27 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

Note	2023	2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	8,050,367	4,332,335
Adjustments:		
Net unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss'	43,978	(41,199)
Reversal for Sindh Workers' Welfare Fund	-	(74,725)
	8,094,345	4,216,411
Increase / (decrease) in assets		
Investments	1,806,513	6,211,341
Profit receivables	(254,514)	31,390
Receivable against Margin Trading System	-	107,127
Advance, deposit and prepayment	(326)	(2,798)
	1,551,673	6,347,060
Decrease / (increase) in liabilities		
Payable to NBP Fund Management Limited - Management Company	4,406	15,678
Payable to Central Depository Company of Pakistan Limited - Trustee	(1,098)	(145)
Payable to Securities and Exchange Commission of Pakistan	1,232	2,906
Payable against purchase of investment	-	-
Accrued expenses and other liabilities	(69,384)	57,803
	(64,844)	76,242
Net cash generated from operating activities	9,581,174	10,639,713
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	150,321,741	132,844,232
Payment against redemption of units	(165,067,059)	(136,510,365)
Distribution paid	(6,052,493)	(2,684,993)
Net cash used in financing activities	(20,797,811)	(6,351,126)
Net increase in cash and cash equivalents	(11,216,637)	4,288,587
Cash and cash equivalents at beginning of the year	33,577,976	29,289,389
Cash and cash equivalents at end of the year	22,361,339	33,577,976

The annexed notes 1 to 27 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Financial Sector Income Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and the 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 July 11, 2011 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 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 the member of Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund is an open-ended mutual fund classified as an "income scheme" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. 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 core objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector term finance certificates (TFCs) / sukuks, bank deposits and short-term money market instruments.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has maintained an asset manager rating of 'AM1' (2022: AM1) to the Management Company and stability rating of 'A+(f)' (2022: A+(f)) to the Fund.
- 1.6 Title to 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 unitholders 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.
- 1.8 During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely " Sindh Trust 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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations) and requirements of the Trust Deed.

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

- 2.1.2** The SECP vide SRO 800 (I)/2021 dated 22 June 2021 modified the effective date for applicability of International Financial Reporting Standard 9 - Financial Instruments in place of International Accounting Standard 39 (Financial Instruments: Recognition and Measurement) for Non-Banking Finance Companies and Modarabas, as "Reporting period / year ending on or after 30 June 2022 (earlier application permitted)". However, as permitted the Fund had already applied the IFRS 9 during the period ended 30 June 2019 with the exception of below mentioned impairment requirements as referred in note 2.1.3 of these financial statements.
- 2.1.3** The SECP vide letter ref SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 has deferred the applicability of impairment requirements of International Financial Reporting Standard (IFRS) 9 "Financial Instruments" in relation to debt securities for mutual funds. Accordingly, the impairment requirements of IFRS 9 have not been considered for debt securities and requirements of SECP Circular 33 of 2012 have continued to be followed.

2.2 Accounting convention

These financial statements are prepared under the historical cost convention except for certain investments which are carried at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousand rupees, unless otherwise stated.

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the subsequent year is included in the following notes:

- Classification and valuation of financial instruments (Note 4.1.2, 4.1.3 and 6);
- Impairment of financial assets (Note 4.1.7); and
- Provision (Note 4.2).

3 ADOPTION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS:

New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 9 'Financial instruments' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the periods presented in the financial statements.

4.1 Financial instruments

The Fund applied IFRS 9 (refer note 2.1.2) except for impairment requirements for which the Fund has continued to follow the requirements of SECP (refer note 2.1.3).

4.1.1 Recognition and initial measurement

The Fund initially recognises regular-way transactions in financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

4.1.2 Classification - Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has two business models.

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.
- Other business model: This includes debt securities. These financial assets are managed and their performances is evaluated, on a fair value basis, with frequent sales taking place.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.1.3 Subsequent measurement - Financial assets

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / mark-up income, foreign exchange gains and losses and impairment are recognised in income statement.

The fair value of financial assets are determined as follows:

a) Debt securities (other than Government securities)

Debt securities (other than Government securities) Debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities (note 2.1.3). In determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRSV rates) which are based on the remaining tenure of the securities.

4.1.4 Financial liabilities – Classification, subsequent measurement and gains and losses

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest, are recognised in income statement.

Financial liabilities are initially classified as measured at amortised cost and also subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

4.1.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

4.1.6 Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

4.1.7 Impairment of financial assets

The Fund at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated 24 October 2012.

4.1.8 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

4.1.9 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

4.1.10 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.1.11 Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.1.12 Spread transactions (ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in ready market is classified as 'financial assets at fair value through profit or loss' and carried on the statements of assets and liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the income statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the Income Statement in accordance with the requirements of IFRS 9 'Financial Instruments: Recognition and Measurement'.

4.1.13 Receivable against Margin Trading System (MTS)

Securities purchased under margin financing are included as 'receivable against Margin Trading System (MTS)' at the fair value of consideration given. All MTS transactions are accounted for on the settlement date. Income on MTS is calculated on outstanding balance at agreed rates and recorded in the income statement. Transaction costs are expensed in the income statement.

4.2 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.3 Taxation

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units as the case may be shall not be taken into account.

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.

4.4 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load if applicable, is payable to the investment facilitators and the Management Company / distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.5 Element of income

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP), the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in statement of movement in unitholders' fund.

4.6 Net assets value per unit

The net assets value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.7 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

4.8 Income recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which transactions take place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss ' are included in the income statement in the period in which they arise.
- Income on deposits with banks and mark-up / return on investments in debt and government securities is recognized in the income statements using effective yield method.
- Dividend income on equity securities held for spread transactions is recognised when the right to receive the dividend is established. For quoted equity securities, this is usually the ex-dividend date.

4.9 Distribution

Distributions declared are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

	Note	2023 ----- (Rupees in '000) -----	2022 -----
5 BANK BALANCES			
In current accounts		797	325
In savings accounts	5.1	<u>22,360,542</u>	<u>33,577,651</u>
		<u><u>22,361,339</u></u>	<u><u>33,577,976</u></u>

5.1 These accounts carry profit at the rates ranging from 19.50% to 23.25% (30 June 2022: 6.5% to 18.28%) per annum.

	Note	2023 ----- (Rupees in '000) -----	2022 -----
Investments by category			
Financial assets 'at fair value through profit or loss'			
Term finance certificates (TFCs) and sukuks - listed	6.1	1,117,145	1,682,869
Term finance certificates (TFCs) and sukuks - unlisted	6.2	2,012,386	2,082,115
Market Treasury Bills	6.3	-	-
Pakistan Investment Bonds	6.4	-	33,963
Letter of placement	6.5	-	-
		3,129,531	3,798,947
At amortised cost			
Commercial Paper	6.6	-	1,181,075
		-	1,181,075
		3,129,531	4,980,022

6.1 Term finance certificates (TFCs) and sukuks - listed

Name of the investee company	As at 1 July 2022	Purchases during the year	Sales / matured during the year	As at June 30 2023	Market value/ carrying value as at 30 June 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)	----- (%) -----	
JS Bank Limited - TFC	1,150	-	-	1,150	114,766	0.45	3.67
Hub Power Company Limited - Sukuk	2,416	-	-	2,416	121,404	0.47	3.88
K- Electric - Sukuk	132,576	4,864	4,864	132,576	573,777	2.23	18.33
Soneri bank	-	1,050	-	1,050	102,843	0.40	3.29
Hub Power Company Limited - Sukuk	8150	-	-	8150	204,357	0.79	6.53
	144,292	5,914	4,864	145,342	1,117,145	4.34	35.70

Carrying value before fair value adjustments as at 30 June 2023

1,160,071

6.2 Term finance certificates (TFCs) and sukuks - unlisted

Name of the investee company	As at 1 July 2022	Purchases during the year	Sales / matured during the year	As at 30 June 2023	Market value/ carrying value as at 30 June 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)	----- (%) -----	
Jahangir Siddiqui and Company Limited	28,000	-	-	28,000	17,529	0.07	0.56
Jahangir Siddiqui and Company Limited	32,800	-	-	32,800	27,519	0.11	0.88
Askari Commercial Bank Limited	283	-	-	283	285,168	1.11	9.11
Bank of Punjab	500	-	-	500	50,387	0.20	1.61
Hub Power Holding Limited - Sukuk	6,000	-	-	6,000	615,780	2.39	19.68
Meezan Sukuk	172	-	-	172	170,280	0.66	5.44
Samba Bank Limited	8,464	-	-	8,464	845,723	3.29	27.02
Lucky Electric Power Company	-	470	470	-	-	-	-
LEPCL	-	400	400	-	-	-	-
	76,219	870	870	76,219	2,012,386	8	64

Carrying value before fair value adjustments as at 30 June 2023

2,013,434

6.2.1 Significant terms and conditions of term finance certificates and sukus outstanding at the year end are as follows:

Name of securities	Number of certificates	Repayment frequency	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Listed term finance certificates and sukus							
JS Bank Limited - TFC	1,150	Semi Annually	114,747,000	6 - month Kibor 1.40%	29 December 2017	29 December 2024	A+
Hub Power Company Limited - Sukuk	2,416	Semi Annually	120,800,000	6 - month Kibor 1.90%	19 March 2020	19 March 2024	AA+
Hub Power Company Limited - Sukuk	8,150	Quarterly	203,750,000	3 - month Kibor 1.90%	22 August 2019	22 August 2023	AA+
K- Electric - Sukuk	132,576	Quarterly	563,448,000	3 - month Kibor 1.70%	03 August 2020	03 August 2027	AA+
Soneri bank	1,050	Semi Annually	104,979,000	6 - month Kibor 1.70%	26 December 2022	26 December 2032	A+
Unlisted term finance certificates and sukus							
Jahangir Siddiqui and Company Limited	28,000	Semi Annually	17,500,000	6 - month Kibor 1.40%	18 July 2017	18 July 2023	AA+
Jahangir Siddiqui and Company Limited	32,800	Semi Annually	27,333,336	6 - month Kibor 1.40%	06 March 2018	06 September 2023	AA+
Askari Commercial Bank Limited	283	Quarterly	283,000,000	3 - month Kibor 1.20%	17 March 2020	17 March 2030	AA
Bank of Punjab	500	Semi Annually	49,900,000	6 - month Kibor 1.25%	23 April 2018	23 April 2028	AA
Hub Power Holding Limited - Sukuk	6,000	Quarterly	600,000,000	3 - month Kibor 2.25%	12 November 2020	12 November 2025	AA+
Meezan Sukuk	172	Semi Annually	172,000,000	6 - month Kibor 0.35%	16 December 2021	16 December 2031	AAA
Samba Bank Limited	8,464	Semi Annually	845,722,880	6 - month Kibor 1.35%	01 March 2021	01 March 2031	AA-

6.3 Market Treasury Bills

Issue date	Tenor	Face value			As at 30 June 2023	Market value / carrying value as at 30 June 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 1 July 2022	Purchases during the year	Sales / matured during the year				
(Rupees in '000)								
02 June 2022	6 Months	-	2,000,000	2,000,000	-	-	-	-
02 June 2022	3 Months	-	2,900,000	2,900,000	-	-	-	-
03 November 2022	3 Months	-	6,650,000	6,650,000	-	-	-	-
04 January 2023	3 Months	-	6,242,515	6,242,515	-	-	-	-
06 April 2023	3 Months	-	2,500,000	2,500,000	-	-	-	-
06 October 2022	3 Months	-	500,000	500,000	-	-	-	-
08 September 2022	3 Months	-	5,000,000	5,000,000	-	-	-	-
09 February 2023	3 Months	-	3,000,000	3,000,000	-	-	-	-
11 August 2022	3 Months	-	5,200,000	5,200,000	-	-	-	-
14 July 2022	3 Months	-	7,050,000	7,050,000	-	-	-	-
15 December 2022	3 Months	-	2,900,000	2,900,000	-	-	-	-
16 June 2022	3 Months	-	4,800,000	4,800,000	-	-	-	-
17 November 2022	3 Months	-	1,050,000	1,050,000	-	-	-	-
20 October 2022	3 Months	-	20,000,000	20,000,000	-	-	-	-
25 August 2022	3 Months	-	2,150,000	2,150,000	-	-	-	-
26 January 2023	3 Months	-	4,499,100	4,499,100	-	-	-	-
28 July 2022	3 Months	-	54,200,000	54,200,000	-	-	-	-
30 June 2022	3 Months	-	4,800,000	4,800,000	-	-	-	-
		-	135,441,615	135,441,615	-	-	-	-

Carrying value before fair value adjustments as at 30 June 2023

6.4 Pakistan Investment Bonds

Issue date	Tenor	Face value			As at 30 June 2023	Market value/ carrying value as at 30 June 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 1 July 2022	Purchases during the period	Sales / matured during the period				
(Rupees in '000)								
19 July 2012	10 Year	34,000	-	34,000	-	-	-	-
06 April 2023	2 Year	-	500,000	500,000	-	-	-	-
18 June 2020	3 Year	-	3,000,000	3,000,000	-	-	-	-
26 August 2021	3 Year	-	1,500,000	1,500,000	-	-	-	-
30 December 2021	2 Year	-	5,555,000	5,555,000	-	-	-	-
		34,000	10,555,000	10,589,000	-	-	-	-

Carrying value before fair value adjustments as at 30 June 2023

6.5 Letter of Placement

Issue date	Counter Party	Face value			As at 30 June 2023	Market value / carrying value as at 30 June 2023	Market value as a percentage of net assets (%)	Market value as a percentage of total investments
		As at 1 July 2022	Purchases during the year	Sales / matured during the year				
(Rupees in '000)								
July 15, 2022	Pak-Oman Inv. Co. Ltd.	-	500,000	500,000	-	-	-	-
July 15, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	1,000,000	1,000,000	-	-	-	-
July 15, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	1,000,000	1,000,000	-	-	-	-
July 15, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	500,000	500,000	-	-	-	-
July 18, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	500,000	500,000	-	-	-	-
July 19, 2022	Askari Bank Limited	-	300,000	300,000	-	-	-	-
July 21, 2022	PAIR Investment Company	-	100,000	100,000	-	-	-	-
July 22, 2022	Askari Bank Limited	-	300,000	300,000	-	-	-	-
August 05, 2022	The Bank of Khyber	-	2,000,000	2,000,000	-	-	-	-
August 05, 2022	The Bank of Khyber	-	2,000,000	2,000,000	-	-	-	-
August 05, 2022	The Bank of Khyber	-	1,000,000	1,000,000	-	-	-	-
August 05, 2022	Pak-Oman Inv. Co. Ltd.	-	4,000,000	4,000,000	-	-	-	-
August 16, 2022	Pak Brunei Investement Company	-	500,000	500,000	-	-	-	-
September 05, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,500,000	2,500,000	-	-	-	-
September 06, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	500,000	500,000	-	-	-	-
September 06, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,000,000	2,000,000	-	-	-	-
September 07, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,000,830	2,000,830	-	-	-	-
September 08, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,001,661	2,001,661	-	-	-	-
September 12, 2022	Pak-Oman Inv. Co. Ltd.	-	2,500,000	2,500,000	-	-	-	-
September 14, 2022	Zarai Taraqati Bank Ltd	-	500,000	500,000	-	-	-	-
September 16, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,500,000	2,500,000	-	-	-	-
October 11, 2022	Zarai Taraqati Bank Ltd	-	1,500,000	1,500,000	-	-	-	-
October 12, 2022	JS Bank Limited	-	2,000,000	2,000,000	-	-	-	-
October 14, 2022	JS Bank Limited	-	2,000,000	2,000,000	-	-	-	-
October 28, 2022	JS Bank Limited	-	2,000,000	2,000,000	-	-	-	-
October 31, 2022	Zarai Taraqati Bank Ltd	-	2,000,000	2,000,000	-	-	-	-
November 03, 2022	Pak-Oman Inv. Co. Ltd.	-	1,500,000	1,500,000	-	-	-	-
November 04, 2022	Zarai Taraqati Bank Ltd	-	2,000,000	2,000,000	-	-	-	-
November 11, 2022	JS Bank Limited	-	3,500,000	3,500,000	-	-	-	-
November 11, 2022	JS Bank Limited	-	1,500,000	1,500,000	-	-	-	-
November 14, 2022	Zarai Taraqati Bank Ltd	-	2,000,000	2,000,000	-	-	-	-
November 18, 2022	JS Bank Limited	-	5,000,000	5,000,000	-	-	-	-
November 25, 2022	JS Bank Limited	-	6,000,000	6,000,000	-	-	-	-
December 02, 2022	JS Bank Limited	-	6,000,000	6,000,000	-	-	-	-
December 02, 2022	Pak Kuwait Investement Company	-	2,500,000	2,500,000	-	-	-	-
December 06, 2022	Pak Kuwait Investement Company	-	500,000	500,000	-	-	-	-
December 09, 2022	JS Bank Limited	-	6,000,000	6,000,000	-	-	-	-
December 09, 2022	Askari Bank Limited	-	2,500,000	2,500,000	-	-	-	-
December 16, 2022	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,500,000	2,500,000	-	-	-	-
December 19, 2022	JS Bank Limited	-	3,500,000	3,500,000	-	-	-	-
December 20, 2022	JS Bank Limited	-	3,500,000	3,500,000	-	-	-	-
January 06, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	1,550,000	1,550,000	-	-	-	-
January 20, 2023	Pak Kuwait Investement Company	-	5,000,000	5,000,000	-	-	-	-
January 20, 2023	Pak Kuwait Investement Company	-	2,000,000	2,000,000	-	-	-	-
January 27, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	1,564,937	1,564,937	-	-	-	-
January 30, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,551,627	2,551,627	-	-	-	-
January 31, 2023	Zarai Taraqati Bank Ltd	-	1,000,000	1,000,000	-	-	-	-
February 10, 2023	Zarai Taraqati Bank Ltd	-	2,900,000	2,900,000	-	-	-	-
February 10, 2023	Zarai Taraqati Bank Ltd	-	600,000	600,000	-	-	-	-
February 14, 2023	Zarai Taraqati Bank Ltd	-	2,500,000	2,500,000	-	-	-	-

Issue date	Counter Party	Face value				Market value / carrying value as at 30 June 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 1 July 2022	Purchases during the year	Sales / matured during the year	As at 30 June 2023			
(Rupees in '000)								
February 15, 2023	Pak Brunei Investment Company	-	2,500,000	2,500,000	-	-	-	-
February 15, 2023	Zarai Taraqati Bank Ltd	-	500,000	500,000	-	-	-	-
February 15, 2023	Zarai Taraqati Bank Ltd	-	500,000	500,000	-	-	-	-
February 16, 2023	Pak Brunei Investment Company	-	2,700,000	2,700,000	-	-	-	-
March 09, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	1,564,937	1,564,937	-	-	-	-
March 09, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,551,627	2,551,627	-	-	-	-
March 30, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,500,000	2,500,000	-	-	-	-
April 06, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,509,709	2,509,709	-	-	-	-
April 13, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,509,709	2,509,709	-	-	-	-
April 27, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,530,405	2,530,405	-	-	-	-
April 28, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,531,896	2,531,896	-	-	-	-
May 03, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,539,353	2,539,353	-	-	-	-
May 08, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,546,832	2,546,832	-	-	-	-
May 10, 2023	Pak-Libya Holding Co. (Pvt.) Ltd.	-	2,549,832	2,549,832	-	-	-	-
June 20, 2023	Pak Kuwait Investement Company	-	400,000	400,000	-	-	-	-
June 21, 2023	Pak Kuwait Investement Company	-	3,700,000	3,700,000	-	-	-	-
June 22, 2023	Pak Kuwait Investement Company	-	3,702,129	3,702,129	-	-	-	-
		-	144,205,484	144,205,484	-	-	-	-

Carrying value before fair value adjustments as at 30 June 2023

-

6.6 Commercial Paper

Issue Description	Face value				Market value / carrying value as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2022	Purchases during the year	Sales / matured during the year	As at June 30, 2023			
Rupees in '000'							
Lucky ICP-2 12-JAN-22 12-JUL-22	395,000	-	395,000	-	-	-	-
China Power CP 12-APR-22 09-OCT-22	433,000	-	433,000	-	-	-	-
Lucky ICP-2 06 May 2022 02 Nov 22	390,000	-	390,000	-	-	-	-
	1,218,000	-	1,218,000	-	-	-	-

7	PROFIT RECEIVABLES	Note	2023	2022
			(Rupees in '000)	
	Profit receivables on savings accounts		398,045	176,494
	Accrued mark-up on Term finance certificates		127,439	92,646
	Accrued mark-up on Government securities		-	1,830
			525,484	270,970
8	ADVANCE, DEPOSIT AND PREPAYMENT			
	Advance tax	8.1	3,803	3,453
	Security deposit		2,850	2,850
	Prepaid mutual fund rating fee		290	314
			6,943	6,617

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 150 and 151. However, withholding tax on profit on bank deposit and investment paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008- VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at the applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on dividends, profit on bank

deposits and profit on letter of placement as at 30 June 2023 amounts to Rs. 3,803 (2022: Rs. 3.453 million). In the opinion of the management, the amount of tax deducted at source will be refunded in coming years.

	Note	2023 ----- (Rupees in '000) -----	2022 -----
9			
PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration	9.1	18,995	6,630
Sindh Sales Tax on Management remuneration	9.2	2,469	862
Sales load and transfer load		6,287	7,636
Sindh Sales Tax on sales and transfer load		817	993
Reimbursement of selling and marketing expenses	9.3	27,225	36,973
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	12,576	11,242
Other expenses		1,234	861
		69,603	65,197

9.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at an effective rate of 0.57% (2022: 0.34%) of the average annual net assets of the Fund during the year.

9.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2011. During the year, Sindh Sales Tax at the rate of 13% (30 June 2022: 13%) was charged on management remuneration and sales load.

9.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion has charged selling and marketing expenses at an effective rate of 0.33% of the average annual net assets of the Fund during the year:

9.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged accounting and operational charges at an effective rate of 0.13% of the average annual net assets of the Fund during the year:

	Note	2023 ----- (Rupees in '000) -----	2022 -----
10			
PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration	10.1	1,510	2,481
Sindh Sales Tax on Trustee remuneration	10.2	196	323
		1,706	2,804

10.1 Effective from 1 July 2019 the Trustee has charged remuneration at the rate of 0.075% per annum of net assets of the Fund. The remuneration is paid to the Trustee monthly in arrears.

10.2 The Sindh Provincial Government levied Sindh Sales tax on the Remuneration of the trustee through Sindh Sales tax on Services Act, 2011 effective from 1 July 2015. During the year, Sindh Sales Tax at the rate of 13% (30 June 2022: 13%) was Charged on trustee remuneration.

11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme categorized as Income scheme is required to pay an annual fee to Securities and Exchange Commission of Pakistan, at an amount equal to 0.02% of the average annual net assets of the Fund.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2023	2022
		----- (Rupees in '000) -----	
Provision for Sindh Workers' Welfare Fund	12.1	-	-
Federal Excise Duty on remuneration to Management Company	12.2	14,948	14,948
Federal Excise Duty on sales and transfer load		467	467
Auditors' remuneration		619	612
Printing charges		71	234
Bank and CDC charges		84	654
Withholding tax		51,488	82,700
Capital gain tax		3,958	69,843
Legal and professional charges		174	148
Brokerage		22	-
Others		37,579	9,188
		109,410	178,794

12.1 SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

12.2 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on 4 September 2013.

The Honorable Sindh High Court (SHC) through its order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act 2005 (FED Act) on services, other than shipping agents and related services, is ultra vires to the Constitution from 1 July 2011. However, the declaration made by the Honorable Court, as directed, will have effect in the manner prescribed in the judgment. The Sindh High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honourable Supreme Court against the Sindh High Court's decision dated 2 June 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued recognising the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 16.444 million out of which Rs. 1.496 million have been paid to the Management Company (30 June 2022: Rs. 1.496 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re. 0.0061 (30 June 2022: Re. 0.0040) per unit.

13 CONTINGENCY AND COMMITMENT

There is no contingency and commitment as at 30 June 2023 (2022: Nil), except as disclosed elsewhere.

	Note	2023 ----- (Units) -----	2022 -----
14 NUMBER OF UNITS IN ISSUE			
Total units in issue at beginning of the year		3,715,311,951	3,855,034,331
Add: units issued against			
- Sale		14,034,668,746	12,516,697,460
- Refund of capital at zero value		84,711,402	118,187,527
		14,119,380,148	12,634,884,987
Less: Units redeemed		(15,414,763,295)	(12,774,607,367)
Total units in issue at end of the year		2,419,928,803	3,715,311,951
15 AUDITORS' REMUNERATION			
Annual audit fee		468	464
Half yearly review		193	175
Other certifications		70	200
Out of pocket expenses and others including government levy		85	154
		816	993

16 TAXATION

16.1 The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units as the case may be shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

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.

17 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is 1.22% per annum (2022: 0.81% per annum). Total expense ratio (excluding government levies) is 1.11% per annum (2022: 0.74% per annum).

18 FINANCIAL INSTRUMENTS BY CATEGORY

	30 June 2023		
	Amortised Cost	At Fair value through profit or loss	Total
	----- (Rupees in '000) -----		
Assets			
Bank balances	22,361,339	-	22,361,339
Investments	-	3,129,531	3,129,531
Profit receivable	525,484	-	525,484
Receivables from funds under management by Management Company against conversion of units	29,778	-	29,778
Security deposit	100	-	100
	22,916,701	3,129,531	26,046,232

	30 June 2023		
	Amortised Cost	At Fair value through profit or loss	Total
	----- (Rupees in '000) -----		
Liabilities			
Payable to NBP Fund Management Limited - Management Company	-	69,603	69,603
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,706	1,706
Payable against redemption / conversion of units	-	145,723	145,723
Accrued expenses and other liabilities	-	38,549	38,549
Net assets attributable to unit holders	-	25,716,803	25,716,803
	<u>-</u>	<u>25,972,384</u>	<u>25,972,384</u>
	30 June 2022		
	Amortised Cost	At Fair value through profit or loss	Total
	----- (Rupees in '000) -----		
Assets			
Bank balances	33,577,976	-	33,577,976
Investments	1,181,075	3,798,947	4,980,022
Profit receivable	270,970	-	270,970
Receivables from funds under management by Management Company against conversion of units	643,253	-	643,253
Security deposit	100	-	100
	<u>35,673,374</u>	<u>3,798,947</u>	<u>39,472,321</u>
Liabilities			
Payable to NBP Fund Management Limited - Management Company	-	65,197	65,197
Payable to Central Depository Company of Pakistan Limited -Trustee	-	2,804	2,804
Payable against redemption of units	-	23,339	23,339
Accrued expenses and other liabilities	-	10,836	10,836
Net assets attributable to unit holders	-	39,200,106	39,200,106
	<u>-</u>	<u>39,302,282</u>	<u>39,302,282</u>

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 19.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, 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.
- 19.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 19.3** Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 19.4** The details of significant transactions and balances with connected persons at year end except those disclosed elsewhere in these financial statements are as follows:

	2023	2022
	----- (Rupees in '000) -----	
19.5 Transactions during the year:		
NBP Fund Management Limited - Management Company		
Remuneration to Management Company	279,358	145,867
Sindh Sales Tax on remuneration to Management Company	36,317	18,963
Sales load and transfer load including SST		28,915
Reimbursement of selling and marketing expenses	162,076	80,554
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	64,019	49,798
Dividend re-invested: 757,241 units (2022: Nil units)	7,994	-
Units issued: 40,288,505 units (2022: Nil units)	426,920	-
Units redeemed: 18,208,500 units (2022: Nil units)	195,000	-
ADC charges including SST	1,052	1,052
Central Depository Company Of Pakistan Limited - Trustee		
Remuneration of the Trustee	36,863	32,244
Sindh Sales Tax on Trustee remuneration	4,792	4,192
National Bank of Pakistan - Parent of the Management Company		
Profit earned	4,778	92,342
Purchase of T-Bills	-	3,224,657
Sale of T-Bills	-	734,156
Bank Islami Pakistan Limited (Common Directorship)		
Profit earned	12,856	48,749
Taurus Securities Limited (Common Directorship)		
Brokerage charges	-	211
Fauji Fertilizer Company Limited (Common Directorship)		
Units issued: 5,130,741,561 units (2022: 5,461,397,903 units)	54,579,898	57,635,293
Units redeemed: 5,633,577,226 units (2022: 5,737,897,122 units)	60,543,927	61,391,580
Dividend re-invested: 24,370,721 units (2022: 197,941 units)	257,245	2,087
National Clearing Company of Pakistan (Common Directorship)		
Dividend re-invested: Nil units (2022: 385,748 units)	-	4,068
Units issued / Trasferred In: Nil units (2022: 2,619,730 units)	-	27,663
Units Redeemed / Transferred Out Nil units (2022: 4,608,077 units)	-	48,964
HAIDER AMJAD (close family member of key management personnel)		
Dividend re-invested: 3,551 units (2022: Nil units)	37	
Units Issued / Trasferred In 454,701 units (2022: 89,244 units)	4,840	950
Units Redeemed / Transferred Out 312,393 units (2022: 89,244 units)	3,352	952

	2023	2022
	----- (Rupees in '000) -----	
K-Electric (Common Directorship)		
TFC / Sukuk - Buy	500,000	-
Baltoro Partners Pvt Limited - Sponsor		
Dividend Re-invest Units Issued 126,865 units (2022: 33,841 units)	1,339	357
Units Issued / Trasferred In 6,344,169 units (2022: 1,897,307 units)	67,000	20,000
Units Redeemed / Transferred Out 6,988,165 units (2022: 1,400,893 units)	74,782	15,000
Khushhali Microfinance Bank Limited (Common Directorship)**		
Mark-up on bank deposit	687,356	178,311
Telenor Microfinance Bank Limited (Common Directorship)**		
Mark-up on bank deposit	115	456
T-bill purchased	993,351	-
Employees of the Management Company		
Dividend re-invested: 464,847 units (2022: 180,355 units)	4,907	1,902
Units issued: 126,274,156 units (2022: 65,042,528 units)	1,341,105	688,827
Units redeemed: 114,134,532 units (2022: 64,243,435 units)	1,226,414	686,147
Khalid Mehmood - CFO		
Dividend re-invest units issued Nil units (2022: 210 units)	-	2
Units Issued / Transferred In 1 Units (2022: Nill units)	-	-
Units Redeemed / Transferred Out Nil units (2022: 19,285 Units)	-	205
NBP Money Market Fund		
Purchase of Treasury Bill	-	984,162
Sale of Treasury Bill	-	-
NBP Government Securities Saving Fund		
Purchase of PIB	-	35,787
Portfolios managed by NBP Funds		
Dividend re-invested: 2,525,900 units (2022: 5,680,032)	26,663	59,896
Units issued: 648,628,884 units (2022: 310,429,751)	6,859,069	3,275,819
Units redeemed: 744,949,176 units (2022: 304,435,541)	8,006,956	3,256,269
Sale of T-Bill	-	318,595
Imran Zaffar - Directors		
Dividend re-invested: 26,512 units (2022: Nil)	280	-
Units issued: 1,137,343 units (2022: Nil)	12,000	-
Units redeemed: 791,505 units (2022: Nil)	8,500	-

	2023	2022
	----- (Rupees in '000) -----	
National Fullerton Asset Management Ltd- Emp. Provident Fund		
Units issued: 1,499,178 units (2022: Nil)	16,017	-
Units redeemed: 1,499,178 units (2022: Nil)	16,059	-
CDC Trustee Nbp Income Plan-I		
Dividend re-invested: 266,075,775 units (2022: Nil)	2,816,391	-
Units issued: 218,915,114 units (2022: Nil)	2,332,750	-
Persons holding directly or indirectly 10% or more of the units in issue / net assets of the Fund		
Ibrahim Holdings Private Limited		
Dividend re-invested: Nil units (2022: 75,621,448 units)	-	797,411
Units issued: Nil units (2022: 455,505,515 units)	-	4,801,460
Units redeemed: Nil units (2022: 414,180,000 units)	-	4,410,500
19.6 Amounts outstanding at year end		
NBP Fund Management Limited - Management Company		
Management remuneration payable	18,995	6,630
Sindh Sales Tax payable	2,469	862
Sales load and transfer load payable	6,287	7,636
Sindh Sales Tax on sales and transfer load	817	993
Reimbursement of selling and marketing expenses	27,225	36,973
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services	12,576	11,242
ADC charges including SST	692	692
Other payable	542	169
Units held 242,694: (2022: Nil) units	22,837	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	1,510	2,481
Sindh Sales Tax on Trustee remuneration	196	323
Security deposit	100	100
National Bank of Pakistan - Parent of the Management Company		
Balance in current account	325	325
Balance in savings account	65,507	106,171
Profit receivable on bank deposit	3,304	439
Portfolios managed by NBP Funds		
2,887,781 units held (2022: 83,693,548 units)	30,687	883,049

	2023	2022
	----- (Rupees in '000) -----	
Fauji Fertilizer Company Limited (Common Directorship)		
849,146 Units held: (2022:479,314,090 units)	9,024	5,057,243
Khushhali Microfinance Bank Limited (Common Directorship)		
Bank Balance	1,052,580	34,022,719
Interest income receivable	26,430	44,436
Telenor Microfinance Bank Limited (Common Directorship)		
Bank Balance	25	24
Interest income receivable	490	726
Bank Islami Pakistan Limited (Common Directorship)		
Bank Balance	25,551	8,078
Profit receivable	246	182
National Clearing Company of Pakistan Limited (Common Directorship)		
Nil units held (2022: 4,172,578 units)	-	44,025
Employees of the Management Company		
15,511,544 units held (2022: 2,909,180 units)	164,843	30,695
Khalid Mehmood - CFO		
2 units held (2022: NIL units)	-	-
Imran Zaffar - Directors		
372,351 units held (2022: NIL units)	3,957	-
Haider Amjad		
145,859 units held (2022: NIL units)	1,550	-
CDC Trustee NBP Income Plan-I		
47,160,661 units held (2022: NIL units)	501,181	-
Persons holding directly or indirectly 10% or more of the units in issue / net assets of the Fund		
Ibrahim Holdings Private Limited		
Nil units held (2022: 986,088,690 units)	-	10,404,222

* Current year balances with these parties have not been disclosed as these were not related parties as at June 30, 2023.

20 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No.	Name	Designation	Qualification	Experience in years
1	Dr. Amjad Waheed	Chief Executive Officer	Doctorate in Business Administration, MBA and CFA	35
2	Mr. Salman Ahmed (Note 21,1)	Head of Fixed Income	CFA	18
3	Mr. Asim Wahab Khan	Chief Investment Officer	CFA	17
4	Mr. Usama Bin Razi	Senior Manager Fixed Income	BE, MBA	19
5	Mr. Hassan Raza	Head of Research	ACCA, BSC and CFA	12

20.1 Mr. Salman Ahmed is the Fund Manager of the Fund. Other Funds being managed by the Fund manager are as follows:

- NBP Income Opportunity Fund
- NBP Financial Sector Income Fund
- NBP Government Securities Plan II
- NBP Government Securities Plan III
- NBP Government Securities Plan IV
- NBP Government Securities Plan V
- NBP Government Securities Savings Fund
- NBP Income Opportunity Fund
- NBP Income Plan I
- NBP Mahana Amdani Fund
- NBP Savings Fund
- NBP Cash Plan I
- NBP Cash Plan II
- NBP Government Securities Liquid Fund
- NBP Money Market Fund
- NBP Fixed Term Munafa Plan I
- NBP Fixed Term Munafa Plan II
- NBP Fixed Term Munafa Plan III
- NBP Islamic Fixed Term Munafa Plan I
- NBP Islamic Fixed Term Munafa Plan II
- NBP Islamic Income Fund
- NBP Islamic Mahana Amdani Fund
- NBP Islamic Savings Fund

21 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

List of top ten brokers / dealers by percentage of commission paid / payable during the year ended 30 June 2023:

S. No.	Particulars	2023 (%)
1.	Bright Capital (Private) Limited	20.75
2.	Magenta Capital Pvt Ltd	18.75
3.	Invest One Markets Limited	12.75
4.	J.S. GLOBAL CAPITAL LTD.	12.73
5.	AKD Securities Limited	9.03
6.	Alfalah CLSA Securities Pvt Ltd	7.64
7.	ARIF HABIB SECURITIES LIMITED	6.68
8.	Paramount Capital (Pvt) Ltd	5.69
9.	Continental Exchange Private Limited	3.00
10.	BIPL SECURITIES LIMITED	1.54

List of brokers / dealers by percentage of commission paid / payable during the year ended 30 June 2022

S. No.	Particulars	2022 (%)
1.	Aqeel Karim Dehdi Securities (Private) Limited	43.52
2.	M.R.A Securities	17.16
3.	BMA Capital Management Limited	13.97
4.	Adam Securities (Private) Limited	7.7
5.	Al Habib Capital Markets (Private) Limited	6.1
6.	Taurus Securities Limited	4.23
7.	J.S. Global Capital Limited	2.41
8.	Topline Securities Limited	2.37
9.	Spectrum Securities (Private) Limited	1.9
10.	Alfa Adhi Securities (Private) Limited	0.45

22 PATTERN OF UNIT HOLDING

Category	As at 30 June 2023		
	Number of unit holders'	Investment amount (Rupees in '000)	Percentage of investment ---- (%) ---
Individuals	5,959	12,667,293	49.26
Insurance Companies	4	122,911	0.48
Bank and DFIs	1	0.09	-
Retirement Funds	66	1,300,262	5.06
Public Limited Companies	8	2,188,433	8.51
NBFC	1	501,180	1.95
Associated Companies and Directors	3	246,631	0.96
Others	185	8,690,093	33.79
	6,227	25,716,803	100.00

Category	As at 30 June 2022		
	Number of unit holders'	Investment amount (Rupees in '000)	Percentage of investment ---- (%) ---
Individuals	4,861	8,789,325	22.42
Insurance Companies	4	533,380	1.35
Bank and DFIs	1	0.08	-
Retirement Funds	89	3,754,357	9.58
Public Limited Companies	9	6,211,257	15.85
Others	189	19,911,786	50.80
	5,153	39,200,106	100.00

23 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 86th, 87th, 88th, 89th, 90th and 91st Board Meetings were held on July 06, 2022, September 27, 2022, October 29, 2022, February 21, 2023 April 29, 2023 and June 01, 2023, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of the Director	Number of meetings			Meetings not attended
	Held during tenure of directorship	Attended	Leave Granted	
Mr. Shaikh Muhammad Abdul Wahid Sethi	6	6	-	-
Tauqeer Mazhar	6	5	1	91st Meeting
Mr. Ali Saigol	6	6	-	-
Mr. Imran Zaffar	6	5	1	89th Meeting
Mr. Khalid Mansoor	6	6	-	-
Mr. Humayun Bashir (note 24.1)	2	2	-	-
Dr. Amjad Waheed	6	6	-	-
Ms. Mehnaz Salar	6	6	-	-
Saad Amanullah Khan	6	6	-	-
Ruhail Muhammad (note 24.2)	3	3	-	-

23.1 Mr. Humayun Bashir retired from the Board with effect from October 04, 2022

23.2 Mr. Ruhail Muhammad opted as Director on the Board with effect from October 04, 2022

24 FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by Board of Directors and Audit Committee regularly to reflect changes in market conditions and the Fund's activities.

The management of these risks is carried out by the Investment Committee (IC) under policies approved by the Board of Directors of the Management Company. The IC is constituted and approved by the Board of Directors of the Management Company. IC is responsible to devise the investment strategy and manage the investment portfolio of the Fund in accordance with limits prescribed in the Non Banking Finance Companies and Notified Entities Regulations, 2008, Offering document of the Fund in addition to Fund's internal risk management policies.

The Fund primarily invest in a portfolio of money market investments such as government securities, secured privately placed instruments, spread transactions, continuous funding system transactions and investments in other money market instruments (including the clean placements). Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to market risk, credit risk and liquidity risk.

24.1 Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk (equity price risk).

Management of market risk

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board of Directors and regulations laid down by SECP.

24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

24.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based interest bearing term finance certificates and bank balances exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on the last repricing date of these term finance certificates with all other variables held constant, the net assets of the Fund and net income for the year would have been higher / lower by Rs. 254.90 million (2022: Rs 385.77 million).

(b) Sensitivity analysis for fixed rate instruments

As at 30 June 2023, the Fund does not hold any fixed rate instruments that may expose the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan are expected to change over time. Therefore, the sensitivity analysis prepared as of 30 June 2023 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments based on the earlier of contractual repricing or maturity date and for off balance sheet instruments based on settlement date is as follows:

NBP FINANCIAL SECTOR INCOME FUND



30 June 2023

Effective yield / interest rate (%)	Exposed to yield / interest risk			Not exposed to Yield/ Interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
	(Rupees in '000)				
On-balance sheet financial instruments					
Financial Assets					
Bank balances	19.50 - 23.35	22,360,542	-	797	22,361,339
Investments	18.5 - 24.58	-	3,129,531	-	3,129,531
Profit receivable		-	-	525,484	525,484
Receivables from fund under management by Management Company against conversion of units		-	-	29,778	29,778
Deposit		-	-	100	100
		22,360,542	-	556,159	26,046,232
Financial liabilities					
Payable to NBP Fund Management Limited - Management Company		-	-	69,603	69,603
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	1,706	1,706
Payable against redemption / conversion of units		-	-	145,723	145,723
Net Assets attributable to unit holder		25,716,803	-	-	25,716,803
Accrued expenses and other liabilities		-	-	38,549	38,549
		25,716,803	-	255,581	25,972,384
On-balance sheet gap		(3,356,261)	-	300,578	73,848
Off-balance sheet financial instruments					
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		(3,356,261)	-	300,578	73,848
Cumulative interest rate sensitivity gap		(3,356,261)	(3,356,261)	(226,730)	

30 June 2022

Effective yield / interest rate (%)	Exposed to yield / interest risk			Not exposed to Yield/ Interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
	(Rupees in '000)				
On-balance sheet financial instruments					
Financial Assets					
Bank balances	6.5% - 18.28%	33,577,651	-	325	33,577,976
Investments	7.22% - 7.5%	1,215,038	3,764,984	-	4,980,022
Receivable against Margin Trading System	8.25% - 15.47%	-	-	-	-
Profit receivable		-	-	270,970	270,970
Receivables from fund under management by Management Company against conversion of units		-	-	643,253	643,253
Deposit		-	-	100	100
		34,792,689	-	914,648	39,472,321
Financial liabilities					
Payable to NBP Fund Management Limited - Management Company		-	-	65,197	65,197
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	2,804	2,804
Payable against redemption / conversion of units		-	-	23,339	23,339
Payable against purchase of investment		-	-	-	-
Net Assets attributable to unit holder		39,200,106	-	-	39,200,106
Accrued expenses and other liabilities		-	-	10,836	10,836
		39,200,106	-	102,176	39,302,282
On-balance sheet gap		(4,407,417)	-	812,472	170,039
Off-balance sheet financial instruments					
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		(4,407,417)	-	812,472	170,039
Cumulative interest rate sensitivity gap		(4,407,417)	(4,407,417)	(642,433)	

24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from yield / interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Presently, the Fund does not hold any security which exposes the Fund to significant price risk.

24.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment and bank balances. Risks attributable to investments in Term Finance Certificates is limited as the counter parties are financial institutions with reasonably high credit ratings. While bank balances are maintained with banks with a reasonably high credit rating.

The analysis below summarises the credit quality of the Fund's bank balances. The bank ratings are based on The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited as at 30 June 2023 and 30 June 2022.

Ratings	2023	2022
	(Rupees in '000)	
AAA	311,243	1,276,366
AA+	66,449	283,864
AA	648	29
AA-	7,286,644	867,748
A+	13,643,258	19,173,862
A	506	11,976,107
A-	1,052,591	-
	22,361,339	33,577,976

The maximum exposure to credit risk before any credit enhancement as at 30 June 2023 is the carrying amount of the financial assets.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk.

24.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

Management of liquidity risk

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in the market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, during the current year, no borrowing was obtained by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

Maturity analysis for financial liabilities

The table below analyses the Fund's liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

The maturity profile of the Fund's liabilities based on contractual maturities is given below:

	30 June 2023			
	Upto three months	Over three months and upto one year	Over one year	Total
	----- (Rupees in '000) -----			
Financial Liabilities				
Payable to NBP Fund Management Limited - Management Company	69,603	-	-	69,603
Payable to Central Depository Company of Pakistan Limited - Trustee	1,706	-	-	1,706
Payable against redemption / conversion of units	145,723	-	-	145,723
Accrued expenses and other liabilities	38,549	-	-	38,549
Net assets attributable to unit holders	25,716,803	-	-	25,716,803
	25,972,384	-	-	25,972,384

	30 June 2022			
	Upto three months	Over three months and upto one year	Over one year	Total
	----- (Rupees in '000) -----			
Financial Liabilities				
Payable to NBP Fund Management Limited - Management Company	65,197	-	-	65,197
Payable to Central Depository Company of Pakistan Limited - Trustee	2,804	-	-	2,804
Payable against redemption / conversion of units	23,339	-	-	23,339
Accrued expenses and other liabilities	10,836	-	-	10,836
Net assets attributable to unit holders	39,200,106	-	-	39,200,106
	39,302,282	-	-	39,302,282

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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 or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

For valuation techniques for specific instruments, refer note 4.1.3.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	June 30, 2023							
	Carrying value				Fair value			
	Fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<i>Note</i>	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investment in term finance certificates - listed	1,117,145	-	-	1,117,145	-	1,117,145	-	1,117,145
Investment in term finance certificates - unlisted	2,012,386	-	-	2,012,386	-	2,012,386	-	2,012,386
Treasury Bills	-	-	-	-	-	-	-	-
Pakistan Investment Bonds	-	-	-	-	-	-	-	-
Equity securities - listed (Spread transactions)	-	-	-	-	-	-	-	-
	3,129,531	-	-	3,129,531				
Financial assets not measured at fair value								
Term deposit receipt	-	-	-	-				
Certificate of investments	-	-	-	-				
Bank balances	-	22,361,339	-	22,361,339				
Profit receivables	-	525,484	-	525,484				
Receivables from fund under management by Management Company against conversion of units	-	29,778	-	29,778				
Deposit	-	100	-	100				
	-	22,916,701	-	22,916,701				
Financial liabilities not measured at fair value								
Payable to NBP Fund Management Limited - Management Company	-	-	69,603	69,603				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	1,706	1,706				
Payable against redemption / conversion of units	-	-	145,723	145,723				
Net assets attributable to unit holders	-	-	-	25,716,803				
Accrued expenses and other liabilities	-	-	38,549	38,549				
	-	-	255,581	25,972,384				

		June 30, 2022							
		Carrying value			Fair value				
		Fair value through profit or loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)							
Financial assets measured at fair value									
	Investment in term finance certificates - listed	1,682,869	-	-	1,682,869	-	1,682,869	-	1,682,869
	Investment in term finance certificates - unlisted	2,082,115	-	-	2,082,115	-	2,082,115	-	2,082,115
	Treasury Bills	-	-	-	-	-	-	-	-
	Pakistan Investment Bonds	33,963	-	-	33,963	-	33,963	-	33,963
	Equity securities - listed (Spread transactions)	-	-	-	-	-	-	-	-
		<u>3,798,947</u>	<u>-</u>	<u>-</u>	<u>3,798,947</u>				
Financial assets not measured at fair value									
26.1	Term deposit receipt	-	-	-	-				
	Certificate of investments	-	1,181,075	-	1,181,075				
	Bank balances	-	33,577,976	-	33,577,976				
	Receivable against Margin Trading System	-	-	-	-				
	Profit receivables	-	270,970	-	270,970				
	Receivables from fund under management by Management Company against conversion of units	-	643,253	-	643,253				
	Deposit	-	100	-	100				
		<u>-</u>	<u>35,673,374</u>	<u>-</u>	<u>35,673,374</u>				
Financial liabilities not measured at fair value									
26.1	Payable to NBP Fund Management Limited - Management Company	-	-	65,197	65,197				
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	2,804	2,804				
	Payable against redemption / conversion of units	-	-	23,339	23,339				
	Net assets attributable to unit holders	-	-	39,200,106	39,200,106				
	Accrued expenses and other liabilities	-	-	10,836	10,836				
		<u>-</u>	<u>-</u>	<u>39,302,282</u>	<u>39,302,282</u>				

25.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

25.2 Financial instruments not measured at FVTPL include Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

26 UNIT HOLDERS' FUND RISK MANAGEMENT

The units holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions on the subscription and redemption of units.

As at 30 June 2022, the Fund meets the requirement of sub-regulation 54 (3a) which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all time during the life of the Fund.



The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 25, the fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by short term borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on **September 15, 2023**.

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

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

Particulars	For the year ended June 30, 2023	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2018
Net assets (Rs. '000')	25,716,803	39,200,106	40,637,598	9,238,345	4,178,933	2,354,909
Net Income (Rs. '000')	8,050,367	4,332,335	2,063,757	1,056,160	334,121	116,066
Net Asset Value per units (Rs.)	10.6271	10.5510	10.5414	10.5282	10.5124	11.1248
Offer price per unit	10.7472	10.6702	10.6605	10.6472	10.6312	11.2505
Redemption price per unit	10.6271	10.5510	10.5414	10.5282	10.5124	11.1248
Ex - Highest offer price per unit (Rs.)	10.7472	10.6702	10.6605	10.6472	10.6312	11.2505
Ex - Lowest offer price per unit (Rs.)	9.0845	9.6419	9.8950	9.2795	9.1714	10.6136
Ex - Highest redemption price per unit (Rs.)	10.6271	10.5510	10.5414	10.5282	10.5124	11.1248
Ex - Lowest redemption price per unit (Rs.)	8.9829	9.5341	9.7844	9.2795	9.0657	10.4950
Fiscal Year Opening Ex Nav	8.9792	9.5310	9.7821	9.2764	9.6155	10.4933
Total return of the fund (Annualized)	18.35%	10.70%	7.76%	13.46%	9.33%	6.02%
Capital growth	2.02%	0.54%	0.34%	0.13%	0.38%	0.01%
Income distribution as a % of ex nav	16.33%	10.17%	7.42%	13.32%	8.94%	6.01%
Income distribution as a % of par value	17.23%	10.72%	7.81%	14.01%	9.39%	6.31%
Distribution dates						
Interim						
30-Aug-22	0.2597					
27-Oct-22	0.2581					
27-Dec-22	0.2738					
28-Feb-23	0.2930					
27-Apr-23	0.3193					
16-May-23	0.1081					
21-Jun-23	0.2111					
26-Aug-21		0.1369				
26-Oct-21		0.1358				
28-Dec-21		0.1633				
24-Feb-22		0.1743				
27-Apr-22		0.2043				
29-Jun-22		0.2570				
29-Sep-20			0.2302			
23-Dec-20			0.1729			
29-Mar-21			0.1982			
25-Jun-21			0.1798			
26-Jun-20				1.4007		
21-Dec-18					0.3729	
24-Jun-19					0.5657	
4-Jul-18						0.6309
Average annual return (launch date October 28, 2011)						
(Since inception to June 30, 2023)	9.97%					
(Since inception to June 30, 2022)		9.22%				
(Since inception to June 30, 2021)			9.07%			
(Since inception to June 30, 2020)				9.22%		
(Since inception to June 30, 2019)					8.68%	
(Since inception to June 30, 2018)						8.58%
Portfolio Composition (Please see Fund Manager Report)						
Weighted average portfolio duration	11 Days	10 Days	9 Days	13 Days	13 Days	46 Days

Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds