



Managing Your Savings

NBP Fund Management Limited



NBP GOVERNMENT SECURITIES LIQUID 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	47

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	Allied Bank Limited
JS Bank Limited	National Bank of Pakistan
Meezan Bank Limited	Samba Bank Limited
Habib Bank Limited	Bank Islami Pakistan Limited
United Bank Limited	Faysal Bank Limited
Bank Alfalah Limited	Soneri Bank Limited
Bank Al Habib Limited	Dubai Islamic Bank Pakistan Limited
Askari Bank Limited	
Habib Metropolitan Bank Limited	

**Auditors**

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

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



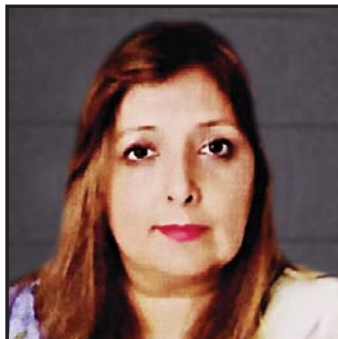
Mr. Tauqeer Mazhar
Director



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 15th Annual Report of **NBP Government Securities Liquid Fund (NGSLF)** for the year ended June 30, 2023.

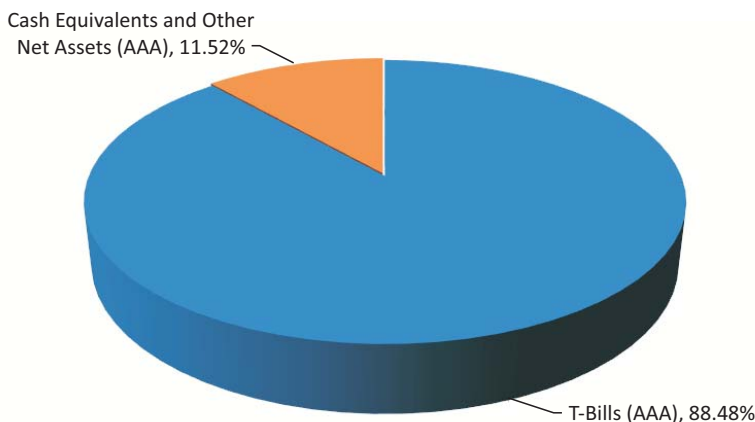
Fund's Performance

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 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.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risk is exceptionally low due to 70% minimum investment in Government securities (T-Bills) with average maturity of the overall portfolio at 45 days. The Fund invests in AA and above rated Banks/DFIs with maximum maturity of six months.

The size of NBP Government Securities Liquid Fund has increased from Rs. 1,219 million to Rs. 1,961 million during the period (an increase of 61%). During the period, the unit price of the Fund has increased from Rs. 8.7169 (Ex-Div) on June 30, 2022 to Rs. 10.2643 on June 30, 2023, thus showing a return of 17.75% as compared to the benchmark return of 17.01% for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 231.44 million during the year. After deducting total expenses of Rs. 15.41 million, the net income is Rs. 216.03 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSLF.



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 16.11% of the opening ex-NAV (16.46% 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 A.F. Ferguson & Co., Chartered Accountants, retired 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 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 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

NBP فنڈ مینجمنٹ لیمٹڈ کے بورڈ آف ڈائریکٹرز NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کی چند ہوں سالانہ رپورٹ برائے تختہ سال 30 جون 2023ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

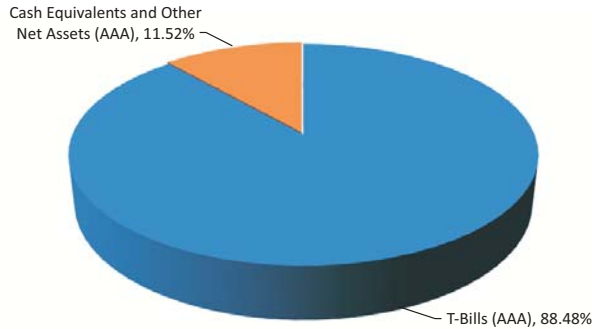
مالی سال 23 کے دوران، اسٹیٹ بینک کی مانیٹری پالیسی کمیٹی (MPC) نے 19 اجلاس منعقد ہوئے اور ملکی غیر یقینی صورتحال اور بیرونی اکاؤنٹ پر مسلسل دباؤ کی وجہ سے افراط زر کے دباؤ کو روکنے، قیمتوں میں استحکام حاصل کرنے، اقتصادی استحکام کو یقینی بنانے، اور کرنسی کے دباؤ کو کم کرنے کے لیے پالیسی شرح کو 825 پیسے 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 ملکی غیر یقینی صورتحال اور بیرونی خطرات سے مشروط ہے، جو درمیانی اور قلیل مدتی نمو کو کمزور کر رہا ہے۔ مزید برآں، کم نئے انفلووز 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 جھکاؤ 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 بائریٹییب 767 bps، 772 bps اور 763 bps کا اضافہ ہوا۔

NGSLF کو PACRA کی طرف سے دی گئی سٹیٹیلیٹی ریٹنگ "AAA(f)" ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈیٹی پروفائل کی عکاسی کرتی ہے۔ T-Bills اس فنڈ کی بڑی ایسیٹ کلاس ہے۔ مجموعی پورٹ فولیو کی 45 دن کی اوسط میچورٹی کے ساتھ گورنمنٹ سیکورٹیز (T-Bills) میں کم از کم 70% سرمایہ کاری کے ساتھ فنڈ کے کریڈٹ، لیکویڈیٹی اور اسٹریٹجی کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی میچورٹی کے ساتھ AA یا زائد ریٹنگ والے ایسیٹوں (DFIs) میں انویسٹ کرنے کی اجازت ہے۔

موجودہ مدت کے دوران، NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا سائز 1,219 ملین روپے سے بڑھ کر 1,961 ملین روپے ہو گیا یعنی 61% کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 8.7169 (Ex-Div) روپے سے بڑھ کر 30 جون 2023 کو 10.2643 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 17.01% کے مقابلے میں 17.75% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے سال کے دوران 231.44 ملین روپے کی مجموعی آمدنی کمائی۔ 15.41 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 216.03 ملین روپے ہے۔

درج ذیل چارٹ NGSLF کی ہر ایک ذیلی ایسیٹ کلاسوں کی ایسیٹ ایلوکیشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے۔



آمدنی کی تقسیم

مینجمنٹ کمیٹی کے بورڈ آف ڈائریکٹرز نے 30 جون 2023 سال کے اختتام پر اوپننگ ex-NAV کا 16.11% (بنیادی قیمت کا 16.46%) عبوری نقد 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 آئی ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

آڈیٹرز

موجودہ آڈیٹر، مہسزے ایف فرگن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے اور اہل ہونے کی بنا پر، 30 جون 2024 کو ختم ہونے والے سال کے لیے دوبارہ ترقی کے لیے خود کو پیش کرتے ہیں۔

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

- 1 مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش 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۔ شماریاتی 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 رواں 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 ٹیمبل / 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 مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں ظاہر کی گئی ہے۔
- 11 یونٹ ہولڈنگ کا تفصیلی پیرین مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، سی ای او، ایف او، کینیٹو سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے پونٹس 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 فرسٹ 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 رونیل محمد •4 جناب ہمایوں بشیر	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
•1 شیخ محمد عبدالواحد سیٹھی (چیئرمین) •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 Government Securities Liquid 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 Government Securities Liquid Fund

NBP Government Securities Liquid (NGSLF) Fund is an Open-End Money Market Scheme.

Investment Objective of the Fund

The objective of NBP Government Securities Liquid Fund is to generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term Government Securities.

Benchmark

70% 3-Month PKRV & 30% average 3-Month deposit rates of three AA rated banks as selected by MUFAP.

Fund Performance Review

This is the 15th Annual report since the launch of the Fund on May 15, 2009. The Fund size increased by 61% during FY23 and stands at Rs. 1,961 million as of June 30, 2023. The Fund's return since inception is 9.5% p.a. versus the benchmark return of 9.2% p.a. The Fund's return for FY23 is 17.8% against the benchmark return of 17.0%. The return of the Fund is net of management fee and all other expenses.

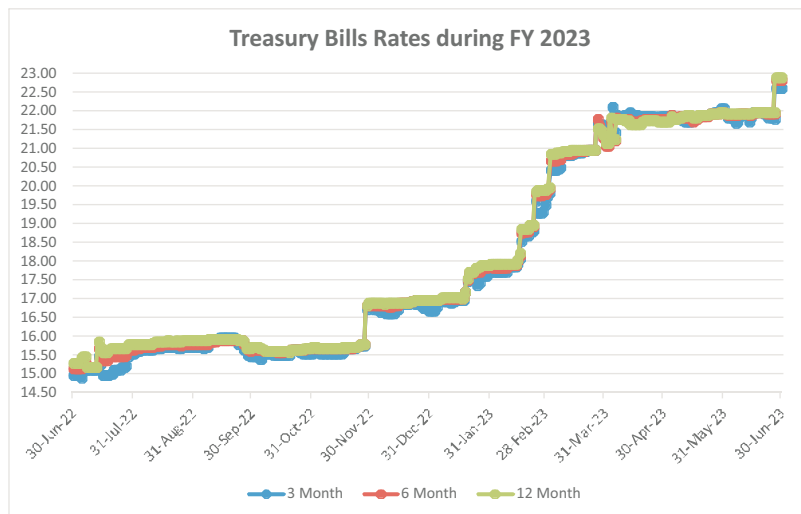
NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects the exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity, and interest rate risks are exceptionally low due to a minimum 70% investment in Government securities (T-Bill) with a maximum maturity of the overall portfolio at 90 days. The Fund is allowed to invest in AA & above rated Banks/DFIs with a maximum maturity of six months.

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.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-23	30-Jun-22
T-Bills	88.84%	-
Cash (Cash Equivalents) & Other Assets	11.52%	100%
Total	100%	100%

T-Bills yields during the year are shown in below graph:



Distribution for the Financial Year 2023

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jul-22	1.03%	10.3304	10.2274
Aug-22	1.34%	10.3615	10.2274
Sep-22	1.20%	10.3473	10.2274
Oct-22	1.19%	10.3466	10.2274
Nov-22	1.30%	10.3575	10.2274
Dec-22	1.24%	10.3512	10.2274
Jan-23	1.28%	10.3551	10.2274
Feb-23	1.48%	10.3752	10.2274
Mar-23	1.48%	10.3758	10.2274
Apr-23	1.60%	10.3874	10.2274
May-23	1.88%	10.4151	10.2274
Jun-23	1.44%	10.3713	10.2274

Unit Holding Pattern of NBP Government Securities Liquid Fund as on June 30, 2023:

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	282
1-1000	642
1001-5000	180
5001-10000	48
10001-50000	97
50001-100000	46
100001-500000	96
500001-1000000	16
1000001-5000000	22
5000001-10000000	3
10000001-100000000	4
Total	1,436

During the period under question

There has been no other significant change in the state of affairs of the Fund. NBP Government Securities Liquid Fund does not have any soft commission arrangement with any broker in the industry

INDEPENDENT AUDITORS' REPORT

To the unit holders of NBP Government Securities Liquid Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NBP Government Securities Liquid Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and 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 the 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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 period. These matters were 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 these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer notes 4 and 5 to the annexed financial statements)	
	<p>The bank balances and investments constitute the most significant component of the net asset value (NAV). The bank balances and investments of the Fund as at June 30, 2023 amounted to Rs. 194.392 million and Rs. 1,734.677 million respectively.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> tested the design and operating effectiveness of the key controls for valuation of investments; obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2023 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;

S. No.	Key Audit Matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Matter

The financial statements of the Fund for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion thereon vide their report dated September 28, 2022.

Other Information

Management is responsible for the other information. The other information comprises the information 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 and Board of Directors of the Management Company for the Financial Statements

Management 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 management 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 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 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 is 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 Fund's internal control.
- " Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- " 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 board of directors of the 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 board of directors of the 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 board of directors of the 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

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A.F. Ferguson & Co.

Chartered Accountants
Karachi

Date: September 21, 2023

UDIN: AR202310061OAm0S2cx3

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

	2023	2022
Note	----- Rupees in '000 -----	
ASSETS		
Bank balances	4 194,392	1,250,836
Investments	5 1,734,677	-
Profit receivable	6 2,453	3,329
Prepayment and other receivable	7 10,138	10,123
Receivable against transfer of units	77,171	6,300
Total assets	2,018,831	1,270,588
LIABILITIES		
Payable to NBP Fund Management Limited - the Management Company	8 50,613	47,654
Payable to the Central Depository Company of Pakistan Limited - the Trustee	9 85	53
Payable to the Securities and Exchange Commission of Pakistan	10 260	208
Payable against redemption of units	3,816	35
Accrued expenses and other liabilities	11 3,515	3,416
Total liabilities	58,289	51,366
NET ASSETS	1,960,542	1,219,222
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	1,960,542	1,219,222
CONTINGENCIES AND COMMITMENTS		
	12	
	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	13 <u>191,006,569</u>	<u>119,211,811</u>
	----- Rupees -----	
NET ASSET VALUE PER UNIT	14 <u>10.2643</u>	<u>10.2274</u>

The annexed notes from 1 to 30 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

	2023	2022
Note	----- Rupees in '000 -----	
INCOME		
Profit on bank balances	20,324	23,363
Income on government securities	214,248	80,343
Loss on sale of investments	(1,340)	(313)
Net unrealised loss on re-measurement of investment classified as "financial assets at fair value through profit or loss"	5.1 (1,794)	-
Total income	<u>231,438</u>	<u>103,393</u>
EXPENSES		
Remuneration of NBP Fund Management Limited - the Management Company	8.1 2,655	2,107
Sindh sales tax on remuneration of Management Company	8.2 345	274
Reimbursement of allocated expenses	8.3 1,625	1,298
Reimbursement of selling and marketing expenses	8.4 7,789	5,192
Remuneration of the Central Depository Company of Pakistan Limited - the Trustee	9.1 715	601
Sindh sales tax on remuneration of Trustee	9.2 93	78
Annual fee to the Securities and Exchange Commission of Pakistan	10.1 260	208
Auditors' remuneration	15 1,022	762
Securities transaction costs	81	-
Legal and professional charges	173	288
Annual rating fee	306	380
Printing charges	89	58
Annual listing fee	28	28
Settlement and bank charges	230	50
Total expenses	<u>15,411</u>	<u>11,324</u>
Net income from operating activities	<u>216,027</u>	<u>92,069</u>
Reversal of provision for Sindh Workers' Welfare Fund	-	25,955
Net income for the year before taxation	<u>216,027</u>	<u>118,024</u>
Taxation	17 -	-
Net income for the year after taxation	<u>216,027</u>	<u>118,024</u>
Earnings per unit	18	
Allocation of net income for the year:		
Net income for the year after taxation	216,027	118,024
Income already paid on units redeemed	(9,165)	(14,310)
	<u>206,862</u>	<u>103,714</u>
Accounting income available for distribution:		
- Relating to capital gains	-	-
- Excluding capital gains	206,862	103,714
	<u>206,862</u>	<u>103,714</u>

The annexed notes from 1 to 30 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 after taxation	216,027	118,024
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>216,027</u>	<u>118,024</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000					
Net assets at the beginning of the year	1,114,644	104,578	1,219,222	1,335,998	103,186	1,439,184
Issuance of 307,634,450 units (2022: 171,441,532 units)						
- Capital value (at ex-net asset value per unit)	3,146,301	-	3,146,301	1,751,224	-	1,751,224
- Element of income	32,530	-	32,530	10,277	-	10,277
Total proceeds on issuance of units	3,178,831	-	3,178,831	1,761,501	-	1,761,501
Redemption of 235,839,692 units (2022: 193,122,995 units)						
- Capital value (at ex-net asset value per unit)	(2,412,027)	-	(2,412,027)	(1,972,693)	-	(1,972,693)
- Element of loss	(7,953)	(9,165)	(17,118)	(5,127)	(14,310)	(19,437)
Total payments on redemption of units	(2,419,980)	(9,165)	(2,429,145)	(1,977,820)	(14,310)	(1,992,130)
Total comprehensive income for the year	-	216,027	216,027	-	118,024	118,024
Cash distributions during the year ended June 30, 2022						
- @ Re. 0.0489 per unit declared on July 28, 2021	-	-	-	(22)	(6,809)	(6,831)
- @ Re. 0.2519 per unit declared on August 28, 2021	-	-	-	(4)	(23,031)	(23,035)
- @ Re. 0.0611 per unit declared on September 28, 2021	-	-	-	(281)	(5,569)	(5,850)
- @ Re. 0.0514 per unit declared on October 26, 2021	-	-	-	(93)	(4,844)	(4,937)
- @ Re. 0.0541 per unit declared on November 26, 2021	-	-	-	(53)	(4,861)	(4,914)
- @ Re. 0.0782 per unit declared on December 28, 2021	-	-	-	(997)	(6,720)	(7,717)
- @ Rs. 0.0821 declared on January 27, 2022	-	-	-	(1,665)	(8,334)	(9,999)
- @ Rs. 0.0728 declared on February 24, 2022	-	-	-	(265)	(6,143)	(6,408)
- @ Rs. 0.0886 declared on March 29, 2022	-	-	-	(73)	(7,470)	(7,543)
- @ Rs. 0.0889 declared on April 27, 2022	-	-	-	(216)	(7,810)	(8,026)
- @ Rs. 0.1014 declared on May 26, 2022	-	-	-	(90)	(9,024)	(9,114)
- @ Rs. 0.1269 declared on June 28, 2022	-	-	-	(1,276)	(11,707)	(12,983)
Total distribution during the year	-	-	-	(5,035)	(102,322)	(107,357)
Cash distributions during the year ended June 30, 2023						
- @ Re. 0.1030 per unit declared on July 28, 2022	(26)	(10,505)	(10,531)	-	-	-
- @ Re. 0.1341 per unit declared on August 30, 2022	(129)	(13,504)	(13,633)	-	-	-
- @ Re. 0.1199 per unit declared on September 28, 2022	(352)	(12,733)	(13,085)	-	-	-
- @ Re. 0.1192 per unit declared on October 27, 2022	(1,087)	(13,097)	(14,184)	-	-	-
- @ Re. 0.1301 per unit declared on November 26, 2022	(391)	(16,223)	(16,614)	-	-	-
- @ Re. 0.1238 per unit declared on December 27, 2022	(58)	(14,657)	(14,715)	-	-	-
- @ Rs. 0.1277 declared on January 26, 2023	(725)	(15,663)	(16,388)	-	-	-
- @ Rs. 0.1478 declared on February 28 2023	(712)	(18,241)	(18,953)	-	-	-
- @ Rs. 0.1484 declared on March 29, 2023	(114)	(19,255)	(19,369)	-	-	-
- @ Rs. 0.1600 declared on April 27, 2023	(14,834)	(20,466)	(35,300)	-	-	-
- @ Rs. 0.1877 declared on May 30, 2023	(1,612)	(25,325)	(26,937)	-	-	-
- @ Rs. 0.1439 declared on June 23, 2023	(4,099)	(20,585)	(24,684)	-	-	-
Total distribution during the year	(24,139)	(200,254)	(224,393)	-	-	-
Net assets at the end of the year	1,849,356	111,186	1,960,542	1,114,644	104,578	1,219,222
Undistributed income brought forward						
- Realised income		104,578			102,815	
- Unrealised income		-			371	
		104,578			103,186	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		206,862			103,714	
		206,862			103,714	
Distribution during the year		(200,254)			(102,322)	
Undistributed income carried forward		111,186			104,578	
Undistributed income carried forward						
- Realised income		112,980			104,578	
- Unrealised loss		(1,794)			-	
		111,186			104,578	
				Rupees		Rupees
Net asset value per unit at the beginning of the year			10,2274			10,2147
Net asset value per unit at the end of the year			10,2643			10,2274

The annexed notes from 1 to 30 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 ----- Rupees in '000 -----	2022 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		216,027	118,024
Adjustments:			
Profit on bank balances		(20,324)	(23,363)
Income on government securities		(214,248)	-
Loss on sale of investment		1,340	313
Reversal of provision for Sindh Workers' Welfare Fund		-	(25,955)
Net unrealised loss on re-measurement of investment classified as 'financial assets at fair value through profit or loss'		1,794	-
		<u>(231,438)</u>	<u>(49,005)</u>
		(15,411)	69,019
(Increase) / decrease in assets			
Investments - net		(3,134)	(167)
Prepayment and other receivable		(15)	89
		(3,149)	(78)
Increase / (decrease) in liabilities			
Payable to NBP Fund Management Limited - Management Company		2,959	(1,054)
Payable to the Central Depository Company of Pakistan Limited - Trustee		32	(30)
Payable to the Securities and Exchange Commission of Pakistan		52	(193)
Accrued expenses and other liabilities		99	299
		3,142	(978)
Profit received on bank balances and government securities		235,448	25,379
Net cash generated from operating activities		<u>220,030</u>	<u>93,342</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units - net of refund of capital		3,083,821	1,750,166
Net payments against redemption of units		(2,425,364)	(1,992,347)
Dividend paid		(200,254)	(102,322)
Net cash generated from / (used in) financing activities		458,203	(344,503)
Net increase / (decrease) in cash and cash equivalents during the year		<u>678,233</u>	<u>(251,161)</u>
Cash and cash equivalents at the beginning of the year		1,250,836	1,501,997
Cash and cash equivalents at the end of the year	20	<u>1,929,069</u>	<u>1,250,836</u>

The annexed notes from 1 to 30 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 Government Securities Liquid Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 10 April 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund 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.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (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.
- 1.4 The Fund is an open-ended mutual fund categorised as money market scheme and is listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.
- 1.5 The investment objective of the Fund is to generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term government securities.
- 1.6 The Pakistan Credit Rating Agency (PACRA) has reaffirmed the asset manager rating of the Management Company of AM1 on June 23, 2022 (2022: AM1 on June 22, 2022). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has reaffirmed the stability rating of the Fund at AAA(f) on March 28, 2023 (2022: AA(f) on April 19, 2022).
- 1.7 The 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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as 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 VIII A of the repealed Companies Ordinance, 1984; and

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and 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.

2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year:

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and standards that are not yet effective:

There are certain standards, interpretations and amendments that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and, therefore, have not been disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments that have been measured at fair values.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 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 applied consistently to all the years presented.

3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.2.2 Classification and subsequent measurement

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

Financial assets 'at fair value through profit or loss'

Basis of valuation of 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 (PKIRSV rates) which are based on the remaining tenure of the securities.

3.2.4 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

3.2.5 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has been placed on the Management Company's website as required under the SECP's circular.

3.2.6 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.7 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. Any gain or loss on derecognition of financial assets is taken to the income statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.4 Offsetting of financial assets and financial 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.

3.5 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in 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.

3.7 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as at the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to 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 is equal to NAV as at the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the 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 the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the income statement in the year in which these arise.

- Profit on bank balances, investments in government securities, letters of placement, certificates of investments and term deposit receipts is recognised on an accrual basis using effective interest method.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.12 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated loss and capital gains, whether realised or unrealised, is distributed amongst the unit holders in cash.

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

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earning per unit is not practicable as disclosed in note 18.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

4	BANK BALANCES	Note	2023	2022
			----- Rupees in '000 -----	----- Rupees in '000 -----
	Balances with banks in:			
	Saving accounts	4.1	194,366	1,250,810
	Current accounts	4.2	26	26
			<u>194,392</u>	<u>1,250,836</u>

4.1 These include balances of Rs 0.838 million (2022: Rs 0.893 million) maintained with the National Bank of Pakistan (a related party) that carry profit at the rate of 18.40% (2022: 12.25%). Other savings accounts of the Fund carry profit at the rates ranging from 10.00% to 19.50% (2022: 6.50% to 18.28%) per annum.

4.2 This represents balance maintained with National Bank of Pakistan (a related party).

5	INVESTMENTS	Note	2023	2022
			----- Rupees in '000 -----	----- Rupees in '000 -----
	At fair value through profit or loss			
	Government securities - Market Treasury Bills	5.1	1,734,677	-
			<u>1,734,677</u>	<u>-</u>

5.1 Government securities - Market Treasury Bills

Issue date	Maturity date	Tenor in months	Face value				Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised diminution	Market value as a percentage of	
			As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023				total investments of the Fund	net assets of the Fund
									Rupees in '000		
									----- (%) -----		
March 10, 2022	September 8, 2022	6	-	750,000	750,000	-	-	-	-	-	
June 2, 2022	June 1, 2023	12	-	250,000	250,000	-	-	-	-	-	
June 30, 2022	September 22, 2022	3	-	1,040,000	1,040,000	-	-	-	-	-	
July 14, 2022	October 6, 2022	3	-	1,115,000	1,115,000	-	-	-	-	-	
July 28, 2022	October 20, 2022	3	-	1,115,000	1,115,000	-	-	-	-	-	
August 11, 2022	November 3, 2022	3	-	1,115,000	1,115,000	-	-	-	-	-	
September 22, 2022	December 15, 2022	3	-	1,075,000	1,075,000	-	-	-	-	-	
October 6, 2022	December 29, 2022	3	-	1,094,500	1,094,500	-	-	-	-	-	
October 20, 2022	January 12, 2023	3	-	1,119,400	1,119,400	-	-	-	-	-	
November 17, 2022	February 9, 2023	3	-	1,200,000	1,200,000	-	-	-	-	-	
December 15, 2022	March 9, 2023	3	-	1,200,000	1,200,000	-	-	-	-	-	
January 26, 2023	April 20, 2023	3	-	1,300,000	1,300,000	-	-	-	-	-	
April 6, 2023	June 22, 2023	3	-	550,000	550,000	-	-	-	-	-	
April 21, 2022	July 14, 2022	3	-	950,200	950,200	-	-	-	-	-	
January 13, 2022	July 14, 2022	6	-	90,300	90,300	-	-	-	-	-	
January 27, 2022	July 28, 2022	6	-	1,040,500	1,040,500	-	-	-	-	-	
June 2, 2022	August 25, 2022	3	-	1,040,000	1,040,000	-	-	-	-	-	
March 10, 2022	September 8, 2022	6	-	290,000	290,000	-	-	-	-	-	
August 25, 2022	November 17, 2022	3	-	1,175,000	1,175,000	-	-	-	-	-	
September 8, 2022	December 1, 2022	3	-	155,000	155,000	-	-	-	-	-	
November 17, 2022	February 9, 2023	3	-	20,000	20,000	-	-	-	-	-	
January 4, 2023	March 29, 2023	3	-	40,000	40,000	-	-	-	-	-	
June 2, 2022	June 1, 2023	12	-	400,000	400,000	-	-	-	-	-	
April 6, 2023	June 22, 2023	3	-	790,000	790,000	-	-	-	-	-	
March 9, 2023	June 1, 2023	3	-	300,000	300,000	-	-	-	-	-	
March 27, 2023	June 14, 2023	3	-	275,000	275,000	-	-	-	-	-	
July 14, 2022	July 13, 2023	12	-	175,000	-	175,000	173,783	173,724	(59)	10.01%	
June 15, 2023	September 7, 2023	3	-	835,000	-	835,000	802,388	801,335	(1,053)	46.20%	
June 22, 2023	September 21, 2023	3	-	225,000	-	225,000	214,458	214,124	(334)	12.34%	
May 4, 2023	July 25, 2023	3	-	553,500	-	553,500	545,842	545,494	(348)	31.45%	
Total as at June 30, 2023							<u>1,736,471</u>	<u>1,734,677</u>	<u>(1,794)</u>	<u>100.00%</u>	<u>88.47%</u>
Total as at June 30, 2022							-	-	-	-	-

5.1.1 These carry rate of return ranging from 13.25% to 22.99% per annum (2022: Nil).

6 PROFIT RECEIVABLE	Note	2023	2022
		----- Rupees in '000 -----	-----
Profit receivable on bank balances		<u>2,453</u>	<u>3,329</u>
		<u>2,453</u>	<u>3,329</u>

7	PREPAYMENTS AND OTHER RECEIVABLES	Note	2023	2022
			----- Rupees in '000 -----	
	Advance tax	7.1	9,978	9,978
	Prepaid annual rating fee		160	145
			<u>10,138</u>	<u>10,123</u>

- 7.1 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 151 and 150. However, withholding tax on profit on debt 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 May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on profit on debt securities amounts to Rs 9.978 million (2022: 9.978 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of SHC. Pending resolution of the matter, the amount of withholding tax so deducted has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY	Note	2023	2022
			----- Rupees in '000 -----	
	Remuneration payable to the Management Company	8.1	295	172
	Sindh sales tax payable on remuneration to the Management Company	8.2	38	22
	Reimbursement of allocated expenses payable	8.3	487	301
	Reimbursement of selling and marketing expenses payable	8.4	3,072	1,205
	Sales load including Sindh sales tax		919	164
	Federal Excise Duty on remuneration of the Management Company	8.5	45,779	45,779
	ADC charges payable including Sindh sales tax		23	11
			<u>50,613</u>	<u>47,654</u>

- 8.1 As per regulation 61 of the NBFC Regulations, 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 its remuneration at the rate of 3% (2022: 1%) on net income, subject to floor and capping of 0.4% and 1% (2022: 0.2% and 1%) per annum of the average net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.
- 8.2 During the year, an amount of Rs. 0.345 million (2022: Rs. 0.274 million) was charged on account of sales tax on the management fee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).
- 8.3 In accordance with Regulation 60 of the NBFC Regulations, an asset 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).

Accordingly, the Management Company based on its discretion has charged accounting and operational charges under the following rates:

2023	2022
Rate applicable from July 1, 2022 to June 30, 2023	Rate applicable from July 1, 2021 to June 30, 2022
0.125% of average annual net assets	0.125% of average annual net assets

- 8.4 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 the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC regulations, 2008, subject to total expense being lower than actual expense incurred.

2023				2022
From July 1, 2022 to March 9, 2023	From March 10, 2023 to April 6, 2023	From April 7, 2023 to April 19, 2023	From April 20, 2023 to June 30, 2023	From July 1, 2021 to June 30, 2022
0.5% of average annual net assets	0.7% of average annual net assets	0.75% of average annual net assets	0.8% of average annual net assets	0.5% of average annual net assets

- 8.5 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan (SCP) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs. 45.779 million (2022: Rs. 45.779 million) is being retained in these financial statements of the Fund as the matter is pending before the SHC. Had the provision for FED not been made, the net asset value per unit of the Fund as at June 30, 2023 would have been higher by Re 0.0239 (2022: Re 0.3840) per unit.

9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	2023	2022
		----- Rupees in '000 -----	-----
Trustee fee payable	9.1	75	47
Sindh sales tax payable on trustee fee	9.2	10	6
		<u>85</u>	<u>53</u>

9.1	2023	2022	
	Rate applicable from July 1, 2022 to June 30, 2023	Rate applicable from July 1, 2021 to September 30, 2021	Rate applicable from October 1, 2021 to June 30, 2022
	0.055% of average annual net assets	0.065% of average annual net assets	0.055% of average annual net assets

- 9.2 During the year, an amount of Rs. 0.093 million (2022: Rs. 0.078 million) was charged on account of sindh sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023 ----- Rupees in '000 -----	2022 -----
	Annual fee payable	10.1	<u>260</u>	<u>208</u>

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2022: 0.02%) of the average annual net assets of the Fund.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	2023 ----- Rupees in '000 -----	2022 -----
	Auditors' remuneration	767	632
	Withholding tax payable	1,858	1,461
	Capital gain tax payable	104	44
	Legal and professional charges payable	190	140
	Bank charges payable	17	19
	Other payables	<u>579</u>	<u>1,120</u>
		<u>3,515</u>	<u>3,416</u>

12 CONTINGENCIES AND COMMITMENTS

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

13	NUMBER OF UNITS IN ISSUE	2023 ----- Number of units -----	2022 -----
	Total units in issue at the beginning of the year	119,211,811	140,893,274
	Units issued during the year	307,634,450	171,441,532
	Less: Units redeemed during the year	<u>(235,839,692)</u>	<u>(193,122,995)</u>
	Total units in issue at the end of the year	<u>191,006,569</u>	<u>119,211,811</u>

14 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

15	AUDITORS' REMUNERATION	2023 ----- Rupees in '000 -----	2022 -----
	Annual audit fee	521	482
	Half yearly review	208	193
	Other Certification	100	60
	Out of pocket	<u>193</u>	<u>27</u>
		<u>1,022</u>	<u>762</u>

16 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at June 30, 2023 is 1.18% (2022: 1.09%) which includes 0.05% (2022: 0.05%) representing government levy including sales tax and the SECP fee. The prescribed limit for the ratio is 2% (2022: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an money market scheme.

17 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. 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. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manners as explained above, no provision for taxation has been made in these financial statements.

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

18 EARNINGS PER UNIT

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

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 19.1** Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 19.2** Transactions with connected persons / related parties are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 19.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 19.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 19.5** Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company subject to the maximum prescribed Total Expense Ratio.

19.6 Details of the transactions with related parties / connected persons during the year are as follows:

	2023	2022
	----- Rupees in '000 -----	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	2,655	2,107
Sindh sales tax on remuneration of Management Company	345	274
Reimbursement of allocated expenses	1,625	1,298
Reimbursement of selling and marketing expenses	7,789	5,192
Sales load including Sindh sales tax	755	522
ADC charges including Sindh sales tax	52	11
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	715	601
Sindh sales tax on remuneration of the Trustee	93	78
Employees of the Management Company		
Dividend re-invest units issued: 54,728 units (2022: 29,277 units)	560	299
Units issued: 3,585,428 units (2022: 133,317 units)	36,946	1,365
Units redeemed: 3,309,293 units (2022: 160,344 units)	34,285	1,646
NBP Employees Pension Fund - Provident Fund of Parent company - unit holder of 10% or more of units of the Fund		
Dividend re-invest units issued: 4,877,375 units (2022: 2,663,749 units)	49,907	27,217
Units issued: 2,029 units (2022: 180,601 units)	-	1,841
Murree Brewery Company Limited - unit holder of 10% or more of units of the Fund		
Units issued: 19,555,312 units (2022: Nil units)	200,000	-
National Bank of Pakistan - Parent of Management Company		
Market Treasury Bills purchased during the year	-	1,452,852
Bank profits earned in the savings account	45	62
National Fullerton Asset Management Employee Provident Fund - Provident Fund of Management Company		
Units issued: 863,809 units (2022: Nil units)	8,852	-
Muhammad Murtaza Ali - Company Secretary / Chief Operating Officer of the Management Company		
Units issued: 1 unit (2022: Nil units)*	-	-
Fauji Fertilizer Company Limited - common directorship		
Dividend re-invest units issued: 13 units (2022: 39 units)*	-	-
Units redeemed: 457 units (2022: Nil units)	5	-
Portfolios managed by the Management Company		
Units issued: 5,394,358 units (2022: 14,839,234 units)	55,302	151,700
Units redeemed: 14,509,272 units (2022: Nil units)	148,658	-

19.7 Amounts / balances outstanding as at year end are as follows:

	2023	2022
	----- Rupees in '000 -----	
NBP Fund Management Limited - the Management Company		
Remuneration payable to the Management Company	295	172
Sindh sales tax on remuneration of Management Company	38	22
Reimbursement of allocated expenses payable	487	301
Reimbursement of selling and marketing expenses payable	3,072	1,205
Sales load including Sindh sales tax	919	164
ADC charges payable including Sindh sales tax	23	11
Central Depository Company of Pakistan Limited - the Trustee		
Trustee remuneration payable	75	47
Sindh sales tax payable on remuneration of the Trustee	10	6
Employees of the Management Company		
Units held: 672,498 units (2022: 341,635 units)	6,903	3,494
Muhammad Murtaza Ali - Company Secretary / Chief Operating Officer of the Management Company		
Units held: 3 units (2022: 2 units)*	-	-
NBP Employees Pension Fund - Provident Fund of Parent company - unit holder of 10% or more of units of the Fund		
Units held: 33,052,413 units (2022: 28,173,009 units)	339,260	288,137
Murree Brewery Company Limited - unit holder of 10% or more of units of the Fund		
Units held: 19,555,312 units (2022: Nil units)	200,000	-
National Bank of Pakistan - Parent of the Management Company		
Bank balances	864	919
Profit receivable on bank balances	2	41
National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company		
Units held: 8,63,809 units (2022: Nil units)	8,866	-
Fauji Fertilizer Company Limited - common directorship		
Units held: Nil units (2022: 444 units)	-	5
Portfolios managed by the Management Company		
Units held: 5,362,387 units (2022: 14,839,234 units)	55,042	151,767

* Nil due to rounding off

		2023	2022
		----- Rupees in '000 -----	
20 CASH AND CASH EQUIVALENTS	Note		
Bank balances	4	194,392	1,250,836
Market Treasury Bills	5.1	1,734,677	-
		<u>1,929,069</u>	<u>1,250,836</u>

21 FINANCIAL INSTRUMENTS BY CATEGORY

----- 2023 -----		
At Amortised cost	At fair value through profit or loss	Total

(Rupees in '000)

Financial assets

Bank balances	194,392	-	194,392
Investments	-	1,734,677	1,734,677
Profit receivable	2,453	-	2,453
Receivable against transfer of units	77,171	-	77,171
	<u>274,016</u>	<u>1,734,677</u>	<u>2,008,693</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	50,613	-	50,613
Payable to the Central Depository Company of Pakistan Limited - the Trustee	85	-	85
Payable against redemption of units	3,816	-	3,816
Accrued expenses and other liabilities	1,553	-	1,553
	<u>56,067</u>	<u>-</u>	<u>56,067</u>

----- 2022 -----		
At Amortised cost	At fair value through profit or loss	Total

(Rupees in '000)

Financial assets

Bank balances	1,250,836	-	1,250,836
Investments	-	-	-
Profit receivable	3,329	-	3,329
Receivable against transfer of units	6,300	-	6,300
	<u>1,260,465</u>	<u>-</u>	<u>1,260,465</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	47,654	-	47,654
Payable to the Central Depository Company of Pakistan Limited - the Trustee	53	-	53
Payable against redemption of units	35	-	35
Accrued expenses and other liabilities	1,911	-	1,911
	<u>49,653</u>	<u>-</u>	<u>49,653</u>

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 primarily set up to be performed based on the limits established by the Management Company, the constitutive documents of the Fund 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 the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: interest rate risk, currency risk and price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market yield / interest rates. As of June 30, 2023, the Fund is exposed to such risk on balances with banks and investments in Market Treasury Bills. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

(a) Sensitivity analysis for variable rate instruments

As of June 30, 2023, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher/lower by Rs 1.94 million (2022: Rs 12.51 million).

(b) Sensitivity analysis for fixed rate instruments

As of June 30, 2023, the Fund holds Market Treasury Bills which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 17.35 million (2022: Nil).

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

Interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:



----- 2023 -----					
Interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

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

Financial assets

Bank balances	10.00%-19.50%	194,366	-	-	26	194,392
Investments	21.45%-21.99%	1,734,677	-	-	-	1,734,677
Profit receivable		-	-	-	2,453	2,453
Receivable against transfer of units		-	-	-	77,171	77,171
		1,929,043	-	-	79,650	2,008,693

Financial liabilities

Payable to NBP Fund Management Limited - Management Company		-	-	-	50,613	50,613
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	85	85
Payable against redemption of units		-	-	-	3,816	3,816
Accrued expenses and other liabilities		-	-	-	1,553	1,553
		-	-	-	56,067	56,067

On-balance sheet gap

1,929,043	-	-	23,583
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Total profit rate sensitivity gap

1,929,043	-	-
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Cumulative profit rate sensitivity gap

1,929,043	1,929,043	1,929,043
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----- 2022 -----					
Interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

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

Financial assets

Bank balances	6.50% -18.28%	1,250,810	-	-	26	1,250,836
Investments		-	-	-	-	-
Profit receivable		-	-	-	3,329	3,329
Receivable against transfer of units		-	-	-	6,300	6,300
		1,250,810	-	-	9,655	1,260,465

Financial liabilities

Payable to NBP Fund Management Limited - Management Company		-	-	-	47,654	47,654
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	53	53
Payable against redemption of units		-	-	-	35	35
Accrued expenses and other liabilities		-	-	-	1,911	1,911
		-	-	-	49,653	49,653

On-balance sheet gap

1,250,810	-	-	(39,998)
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Total profit rate sensitivity gap

1,250,810	-	-
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Cumulative profit rate sensitivity gap

1,250,810	1,250,810	1,250,810
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(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate 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.

The Fund does not hold any instrument that expose it to price risk as of June 30, 2023.

22.2 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.

The Fund is exposed to daily 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. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active or over the counter market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement subject to the maximum limit which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also 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 redemptions during the year.

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the liabilities that are payable on demand have been included in the maturity grouping of one month:

----- 2023 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

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

Financial liabilities

Payable to NBP Fund Management Limited
Management Company

Payable to the Central Depository Company
of Pakistan Limited - Trustee

Payable against redemption of units

Accrued expenses and other liabilities

50,613	-	-	-	-	-	50,613
85	-	-	-	-	-	85
3,816	-	-	-	-	-	3,816
786	767	-	-	-	-	1,553
55,300	767	-	-	-	-	56,067

----- 2022 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

Rupees in '000

Financial liabilities

Payable to NBP Fund Management Limited Management Company

Payable to the Central Depository Company of Pakistan Limited - Trustee

Payable against redemption of units

Accrued expenses and other liabilities

47,654	-	-	-	-	-	47,654
53	-	-	-	-	-	53
35	-	-	-	-	-	35
1,279	632	-	-	-	-	1,911
49,021	632	-	-	-	-	49,653

22.3 Credit risk

22.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

2023		2022	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk

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

Financial assets

Bank balances

Investments

Profit receivable

Receivable against transfer of units

194,392	194,392	1,250,836	1,250,836
1,734,677	-	-	-
2,453	2,453	3,329	3,329
77,171	77,171	6,300	6,300
2,008,693	274,016	1,260,465	1,260,465

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

22.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks. The credit rating profile of bank balances and accrued profit thereon are as follows:

Rating

Bank balances and accrued profit thereon

AAA

AA+

AA

AA-

A+

% of financial assets exposed to credit risk

2023	2022
0.34%	0.58%
9.28%	98.39%
0.12%	0.24%
0.06%	0.22%
0.00%	0.08%
9.80%	99.51%

22.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties thereby any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2023 and June 30, 2022 are unsecured and are not impaired.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

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.

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

	----- 2023 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
ASSETS				
Financial assets 'at fair value through profit or loss'				
Government securities - Market Treasury Bills	-	1,734,677	-	1,734,677
	-	1,734,677	-	1,734,677

	----- 2023 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
ASSETS				
Financial assets 'at fair value through profit or loss'				
Government securities - Market Treasury Bills	-	-	-	-
	-	-	-	-

24 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends 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 restriction on the subscription and redemption of units. As required under the NBFC Regulations every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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 the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

25 UNIT HOLDING PATTERN OF THE FUND

Category	June 30, 2023			June 30, 2022		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	1,357	479,099	24.44%	1,290	345,298	28.32%
Associated companies and Directors	3	348,126	17.76%	3	288,137	23.63%
Insurance companies	1	18,983	0.97%	-	-	0.00%
NBFCs	1	-*	-*	1	-*	-*
Retirement funds	27	625,815	31.92%	21	346,133	28.39%
Public limited companies	6	203,019	10.36%	6	2,294	0.19%
Others	41	285,500	14.56%	41	237,360	19.47%
	<u>1,436</u>	<u>1,960,542</u>	<u>100.00%</u>	<u>1,362</u>	<u>1,219,222</u>	<u>100.00%</u>

*Nil due to rounding off difference

26 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2023 % of commission paid	Name of broker	2022 % of commission paid
Continental Exchange (Private) Limited	33.58%	Continental Exchange (Private) Limited	25.52%
Paramount Capital (Private) Limited	9.60%	Paramount Capital (Private) Limited	22.62%
BMA Capital Management Limited	8.13%	BMA Capital Management Limited	20.55%
JS Global Capital Limited	17.75%	Invest One Markets Limited	15.79%
Mangenta Capital (Private) Limited	13.30%	Bright Capital (Private) Limited	15.52%
Optimus Markets (Private) Limited	10.02%		
AKD Securities Limited	7.62%		

26.1 The Fund has traded with only the above mentioned 7 and 5 brokers during the year ended June 30, 2023 and June 30, 2022 respectively.

27 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	35
Asim Wahab Khan	Chief Investment Officer	CFA	17
Salman Ahmed (note 27.1)	Head of Fixed Income	CFA	18
Hassan Raza	Head of Research	ACCA / BSC / CFA	12
Usama Bin Razi	Senior Manager - Fixed Income	BE, MBA	19

27.1 The name of the Fund Manager is Salman Ahmed. Other funds being managed by the Fund Manager are as follows:

- NBP Islamic Daily Dividend Fund
- NBP Riba Free Savings Fund
- NBP Islamic Mahana Amdani Fund
- NBP Islamic Savings Fund
- NBP Islamic Income Fund
- NBP Islamic Money Market Fund
- NBP Islamic Mustahkam Fund
- NBP Money Market Fund
- NBP Government Securities Savings Fund
- NBP Mahana Amdani Fund
- NBP Financial Sector Income Fund
- NBP Income Opportunity Fund
- NBP Savings Fund
- NBP Mustahkam Fund
- NBP Income Fund Of Fund
- NBP Government Securities Fund-I

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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 directors	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	6	6	-	-
Tauqeer Mazhar	6	5	1	91st Meeting
Mehnaz Salar	6	6	-	-
Ali Saigol	6	6	-	-
Imran Zaffar	6	5	1	89th Meeting
Khalid Mansoor	6	6	-	-
Saad Amanullah Khan	6	6	-	-
Humayun Bashir (note 28.1)	2	2	-	-
Ruhail Muhammad (note 28.2)	3	3	-	-
Dr. Amjad Waheed	6	6	-	-

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

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

29 GENERAL

29.1 Figures in these financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

29.2 Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

30 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 at the year / period ended (Rs '000)	1,960,542	1,219,222	1,439,184	2,225,402	1,931,332	5,790,612
Net income for the year / period ended (Rs '000)	216,027	118,024	123,935	280,706	269,495	257,128
Net Asset Value per unit at the year / period ended (Rs)	10.2643	10.2274	10.2147	10.2022	10.1861	10.9686
Offer Price per unit at year end	10.3803	10.3430	10.3301	10.2022	10.1861	10.9686
Redemption Price per unit at year end	10.2643	10.2274	10.2147	10.2022	10.1861	10.9686
Ex - Highest offer price per unit (Rs.)	10.3803	10.3430	10.3301	10.2022	10.1861	10.6986
Ex - Lowest offer price per unit (Rs.)	8.8192	9.2775	9.6007	9.0715	9.3915	10.1634
Ex - Highest redemption price per unit (Rs.)	10.2643	10.2274	10.2147	10.2022	10.1861	10.6986
Ex - Lowest redemption price per unit (Rs.)	8.7207	9.1739	9.6007	9.0715	9.3881	10.1634
Fiscal Year Opening Ex Nav	8.7169	9.1721	9.5991	9.0679	9.3804	10.1614
Total return of the fund	17.75%	11.51%	6.41%	12.47%	8.59%	5.29%
Capital growth	1.66%	0.68%	0.30%	0.79%	0.51%	0.01%
Income distribution as a % of ex nav	16.09%	10.83%	6.11%	11.69%	8.08%	5.28%
Income distribution as a % of par value	16.46%	11.06%	6.23%	11.91%	8.21%	5.37%
Distribution						
Interim distribution per unit	1.6456	1.1063	0.6233	1.1905	0.8207	-
Final distribution per unit	-	-	-	-	-	0.5367
Distribution Dates						
Interim	July 28, 2022	28-Jul-21	28-Jul-20	30-Jul-19	-	-
Interim	August 30, 2022	26-Aug-21	28-Aug-20	29-Aug-19	-	-
Interim	September 28, 2022	28-Sep-21	28-Sep-20	28-Sep-19	-	-
Interim	October 27, 2022	26-Oct-21	27-Oct-20	29-Oct-19	-	-
Interim	November 26, 2022	26-Nov-21	26-Nov-20	28-Nov-19	-	-
Interim	December 27, 2022	28-Dec-21	24-Dec-20	27-Dec-19	21-Dec-19	-
Interim	January 26, 2023	27-Jan-22	26-Jan-21	28-Jan-20	29-Jan-19	-
Interim	February 28 2023	24-Feb-22	24-Feb-21	27-Feb-20	27-Feb-19	-
Interim	March 29, 2023	29-Mar-22	26-Mar-21	27-Mar-20	29-Mar-19	-
Interim	April 27, 2023	27-Apr-22	27-Apr-21	29-Apr-20	26-Apr-19	-
Interim	May 30, 2023	26-May-22	26-May-21	29-May-20	30-May-19	-
Interim	June 23, 2023	28-Jun-22	25-Jun-21	26-Jun-20	24-Jun-19	-
Final	-	-	-	-	-	4-Jul-18
Average annual return of the fund (launch date May 16, 2009)						
(Since inception to June 30, 2023)	9.50%					
(Since inception to June 30, 2022)		8.90%				
(Since inception to June 30, 2021)			8.69%			
(Since inception to June 30, 2020)				8.89%		
(Since inception to June 30, 2019)					8.54%	
(Since inception to June 30, 2018)						8.54%
(Since inception to June 30, 2017)						
Portfolio Composition (Please see Fund Manager Report)						
Weighted average portfolio duration	45 Days	1 Day	57 Days	32 Days	25 Days	13 Days

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

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