



*Managing Your Savings*

**NBP Fund Management Limited**



# NBP INCOME FUND OF 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."

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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Ruhail Muhammad	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Mr. Saad Amanullah Khan	Member
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member

### Human Resource & 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

JS Bank Limited  
Soneri Bank Limited  
Meezan Bank Limited  
Bank Alfalah Limited  
Allied Bank Limited  
Bankislami Pakistan Limited  
National Bank of Pakistan  
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 4, Scheme 5,  
Clifton, Karachi 75600, Pakistan.

## **Head Office:**

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

## **Lahore Office:**

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

## **Islamabad Office:**

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

## **Peshawar Office:**

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

## **Multan Office:**

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

## 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



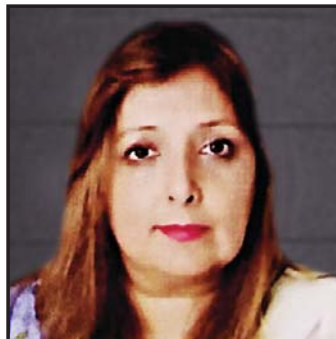
**Mr. Tauqeer Mazhar**  
Director



**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 1st Annual Report of NBP Income Fund of Fund for the year ended June 30, 2023.

NBP Income Fund of Fund has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through three (3) Money Market and Income Plans including NBP Cash Plan - I, NBP Cash Plan - II and NBP Income Plan - I.

**Money Market Fund: NBP Money Market Fund**

**Income Fund: NBP Financial Sector Income Fund**

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 5.4 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

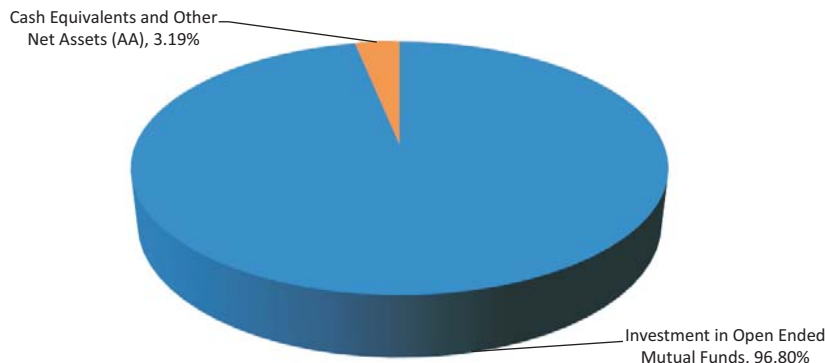
### NBP Cash Plan - I (NCP-I)

#### Fund's Performance

The NBP Cash Plan I is a plan under Fund of Fund structure which invests primarily in NBP Money Market Fund. The objective of NBP Cash Plan - I is to provide stable income stream with preservation of capital by investing in AA and above rated banks and money market Funds managed by NBP Funds Management Limited.

The fund NBP Income Fund of Fund - NBP Cash Plan - I was launched on January 10, 2023 and closed at Rs. 5,123 million on June 30, 2023. During the period, the unit price of the Fund has increased from Rs. 9.2248 (Ex-Div) since inception to Rs. 10.0441, thus showing a return of 18.96% as compared to the benchmark return of 19.32%. The performance of the Fund is net of management fee and all other expenses.

NBP Income Fund of Fund - NBP Cash Plan-I has earned total income of Rs. 380.23 million during the year. After deducting total expenses of Rs. 2.87 million, the net income is Rs. 377.36 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NCP-I.





## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 8.404% of the opening ex-NAV (8.404% of the par value) during the period ended June 30, 2023.

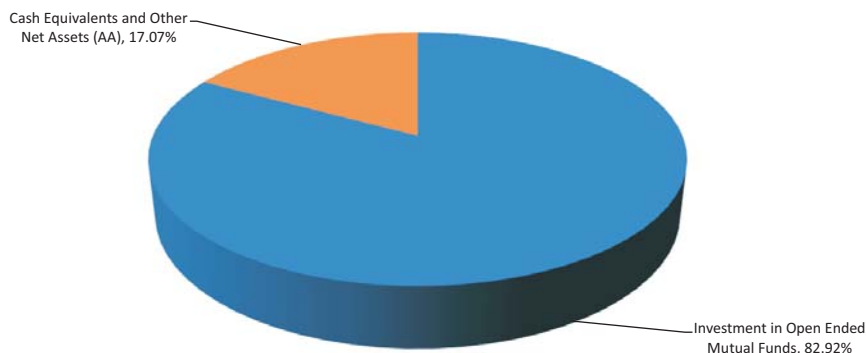
## NBP Cash Plan - II (NCP-II)

### Fund's Performance

The fund NBP Income Fund of Fund - NBP Cash Plan - II was launched on January 10, 2023 and closed at Rs. 6,261 million on June 30, 2023. During the period, the unit price of the Fund has increased from Rs. 9.2125 (Ex-Div) since inception to Rs. 10.0157, thus showing a return of 18.61% as compared to the benchmark return of 19.32%. The performance of the Fund is net of management fee and all other expenses.

The NBP Cash Plan II is a plan under Fund of Fund structure which invests primarily in NBP Money Market Fund. The objective of NBP Cash Plan - II is to provide stable income stream with preservation of capital by investing in AA and above rated banks and money market Funds managed by NBP Funds Management Limited.

The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NCP-II.



## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 8.207% of the opening ex-NAV (8.207% of the par value) during the period ended June 30, 2023.

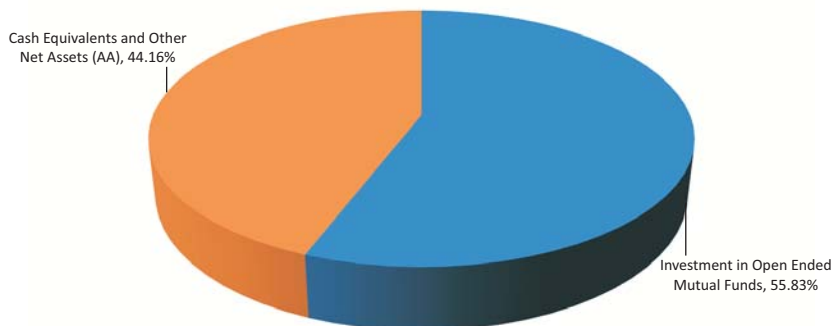
## NBP Income Plan - I (NIP-I)

### Fund's Performance

The fund NBP Income Fund of Fund - NBP Income Plan - I was launched on January 10, 2023 and closed at Rs. 898 million on June 30, 2023. During the period, the unit price of the Fund has increased from Rs. 9.2159 (Ex-Div) since inception to Rs. 10.0762, thus showing a return of 19.93% as compared to the benchmark return of 20.84%. The performance of the Fund is net of management fee and all other expenses.

The NBP Income Plan I is a plan under Fund of Fund structure which invests primarily in NBP Financial Sector Income Fund. The objective of NBP Income Plan - I is to provide income enhancement and preservation of capital by investing in bank deposits and Income Funds Managed by NBP Funds Management Limited.

The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIP-I.



## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 8.508% of the opening ex-NAV (8.508% of the par value) during the period 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 27 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 20 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. As at June 30, 2023, the Board included:

Category	Names
<b>Independent Directors</b>	<ol style="list-style-type: none"><li>1. Mr. Khalid Mansoor</li><li>2. Mr. Saad Amanullah Khan</li><li>3. Mr. Ruhail Muhammad</li><li>4. Mr. Humayun Bashir</li></ol>
<b>Executive Director</b>	Dr. Amjad Waheed - Chief Executive Officer
<b>Non-Executive Directors</b>	<ol style="list-style-type: none"><li>1. Shaikh Muhammad Abdul Wahid Sethi (Chairman)</li><li>2. Mr. Tauqeer Mazhar</li><li>3. Ms. Mehnaz Salar</li><li>4. Mr. Ali Saigol</li><li>5. Mr. Imran Zaffar</li></ol>

## 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 لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP انکم فنڈ آف فنڈ کی پہلی سالانہ رپورٹ برائے مختتمہ سال 30 جون 2023ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

NBP انکم فنڈ آف فنڈ ایک ٹرسٹ اسکیم کی شکل میں قائم کیا گیا ہے جو NBP کیش پلان-I، NBP کیش پلان-II اور NBP انکم پلان-I-اسمیت تین (3) منی مارکیٹ اور انکم پلانز کے ذریعے درج ذیل مجموعی سرمایہ کاری اسکیموں میں سرمایہ کاری کرے گا۔

منی مارکیٹ فنڈ: NBP منی مارکیٹ فنڈ

انکم فنڈ: NBP انکم فنڈ

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 8.25% سے 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 فنڈوں 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 یونڈز 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 بھگاؤ مختصر مدت کی طرف رہا۔ SBP نے سٹاکس (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 بالترتیب 767 bps، 772 bps اور 763 bps کا اضافہ ہوا۔

### NBP کیش پلان-I

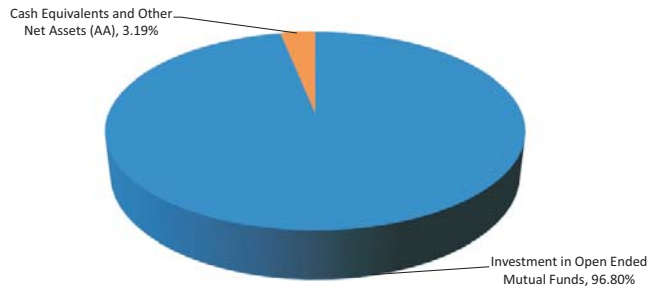
#### فنڈ کی کارکردگی

NBP کیش پلان-I فنڈ آف فنڈ سٹرکچر کے تحت ایک پلان ہے جو بنیادی طور پر NBP منی مارکیٹ فنڈ میں سرمایہ کاری کرتا ہے۔ NBP کیش پلان-I کا مقصد ڈبل اے اور بالا درجہ کے بینکوں میں سرمایہ کاری کر کے سرمایہ کی حفاظت کے ساتھ مستحکم آمدنی کے ذرائع فراہم کرنا ہے اور منی مارکیٹ فنڈز NBP فنڈ مینجمنٹ لمیٹڈ کے زیر انتظام ہیں۔

فنڈ NBP انکم فنڈ آف فنڈ- NBP کیش پلان-I کا 10 جنوری 2023 کو آغاز کیا گیا اور 30 جون 2023 کو 123,15,123 ملین روپے پر بند ہوا۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت اپنے آغاز (Ex-Div) 9.2248 روپے سے بڑھ کر 10.0441 روپے ہو گئی، لہذا 19.32 فیصد پینچ مارک ریٹرن کے مقابلے 18.96 فیصد کار ریٹرن ظاہر کیا۔ فنڈ کی یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے علاوہ خالص ہے۔

فنڈ NBP انکم فنڈ آف فنڈ- NBP کیش پلان-I کو سال کے دوران 380.23 ملین روپے کی کل آمدنی ہوئی ہے۔ 2.87 ملین روپے کے اخراجات منہا کرنے کے بعد، خالص آمدنی 377.36 ملین روپے ہے۔

درج ذیل چارٹ 30 جون 2023 کے مطابق NCP-I کی ہر ایک ذیلی کلاسوں کی ایسٹ ایلوکییشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



## آمدنی کی تقسیم

بینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والی مدت کے دوران اوپننگ ex-NAV کا 8.404 فیصد (بنیادی قیمت کا 8.404 فیصد) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

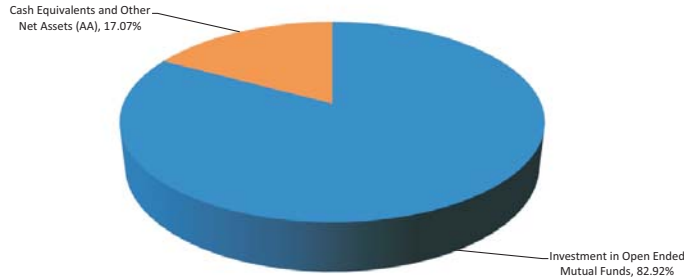
## NBP کیش پلان-II (NCP-II)

### فونڈ کی کارکردگی

فونڈ NBP آکم فونڈ-II 10 جنوری 2023 کو آغاز کیا گیا اور 30 جون 2023 کو 6,261 ملین روپے پر بند ہوا۔ اس مدت کے دوران، فونڈ کے پونٹ کی قیمت اپنے آغاز 9.2125 (Ex-Div) روپے سے بڑھ کر 10.0157 روپے ہو گئی، لہذا 19.32 فیصد بیچ مارک ریٹرن کے مقابلے میں 18.61 فیصد کار ریٹرن ظاہر کیا۔ فونڈ کی یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے علاوہ خالص ہے۔

NBP کیش پلان-II فونڈ آف فونڈس کے تحت ایک پلان ہے جو بنیادی طور پر NBP مٹی مارکیٹ فونڈ میں سرمایہ کاری کرتا ہے۔ NBP کیش پلان-II کا مقصد ڈبل اے اور بالا درجے کے بینکوں میں سرمایہ کاری کر کے سرمایہ کے تحفظ کے ساتھ مستحکم آمدنی کے ذرائع فراہم کرنا ہے اور مٹی مارکیٹ فونڈز NBP فونڈز میں سرمایہ کاری کے زیر انتظام ہیں۔

درج ذیل چارٹ 30 جون 2023 کے مطابق NCP-II کی ہر ایک ذیلی کلاسوں کی ایسٹ ایلوکیشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



## آمدنی کی تقسیم

بینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والی مدت کے دوران اوپننگ ex-NAV کا 8.207 فیصد (بنیادی قیمت کا 8.207 فیصد) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

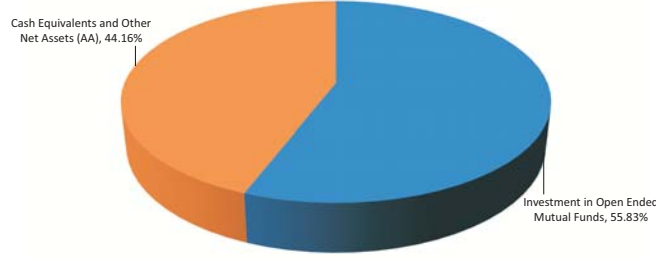
## NBP آکم پلان-I (NIP-I)

### فونڈ کی کارکردگی

فونڈ NBP آکم فونڈ-I 10 جنوری 2023 کو آغاز کیا گیا اور 30 جون 2023 کو 898 ملین روپے پر بند ہوا۔ اس مدت کے دوران، فونڈ کے پونٹ کی قیمت اپنے آغاز 9.2159 (Ex-Div) روپے سے بڑھ کر 10.0762 روپے ہو گئی، لہذا 20.84 فیصد بیچ مارک ریٹرن کے مقابلے میں 19.93 فیصد کار ریٹرن ظاہر کیا۔ فونڈ کی یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے علاوہ خالص ہے۔

NBP آکم پلان-I فونڈ آف فونڈس کے تحت ایک پلان ہے جو بنیادی طور پر NBP فنانشل سیکورٹیز آکم فونڈ میں سرمایہ کاری کرتا ہے۔ NBP آکم پلان-I کا مقصد بینک ڈیپازٹس میں سرمایہ کاری کر کے سرمایہ کے تحفظ کے ساتھ آمدنی بڑھانے کے ذرائع فراہم کرنا ہے اور مٹی مارکیٹ فونڈز NBP فونڈز میں سرمایہ کاری کے زیر انتظام ہیں۔

درج ذیل چارٹ 30 جون 2023 کے مطابق NIP-I کی ہر ایک ذیلی کلاسوں کی ایسٹ ایلوکیشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



## آمدنی کی تقسیم

مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والی مدت کے دوران اوپننگ ex-NAV کا 8.508 فیصد (بنیادی قیمت کا 8.508 فیصد) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## قیمتیں

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 آگم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

## آڈیٹرز

موجودہ آڈیٹرز میسرز ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2024 کو ختم ہونے والے سال کی دوبارہ تفری کے لئے خود کو پیش کرتے ہیں۔

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

- 1 مینیجمنٹ 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 ٹیبیل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 27 میں ظاہر کی گئی ہے۔
- 11 یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، ای ای او، ایف او، کپٹی 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 20 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	کیتگری
<ul style="list-style-type: none"> <li>•1 جناب خالد منصور</li> <li>•2 جناب سعد امان اللہ خان</li> <li>•3 جناب روہیل محمد</li> <li>•4 جناب ہمایوں بشیر</li> </ul>	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
<ul style="list-style-type: none"> <li>•1 شیخ محمد عبدالواحد سیٹھی (چیرمین)</li> <li>•2 جناب توقیر مظہر</li> <li>•3 محترمہ مہناز سالار</li> <li>•4 جناب علی سدیگل</li> <li>•5 جناب عمران ظفر</li> </ul>	نان ایگزیکٹو ڈائریکٹرز

## اظہار شکر

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 شکر یہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ اینڈاؤٹریٹس 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 آرٹسٹری کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

**NBP** فونڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 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 Income Fund of 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 Income Fund of Fund - NBP Cash Plan - I

NBP Income Fund of Fund - NBP Cash Plan - I (NCP-I) is an Open Ended - Fund of Fund Scheme.

#### Investment Objective of the Fund

The objective of NBP Cash Plan - I is to provide stable income stream with preservation of capital by investing in AA and above rated banks and money market Funds managed by NBP Funds Management Limited.

#### Benchmark

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

#### Fund Performance Review

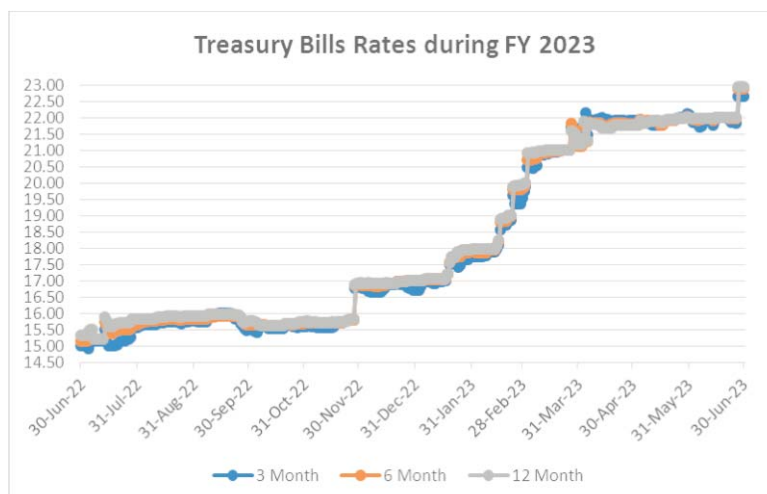
This is the 1st Annual report since the launch of the Fund on January 10, 2023. The Fund size stands at Rs. 5,123 million as of June 30, 2023. The Fund's return since its inception is 19.0% p.a. versus the benchmark return of 19.3% p.a. This performance is net of management fee and all other expenses.

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
Money Market Fund	96.80%
Cash & Other Assets	3.20%
<b>Total</b>	<b>100.00%</b>

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



## Distribution for the Financial Year 2023

Interim Period/ Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex-Div. Price
Interim	8.404%	10.8404	10

## Unit Holding Pattern of NBP Income Fund of Fund - NBP Cash Plan - I as on June 30, 2023

Size of Unit Holding (Units)	# of Unit Holders
0-0.9999	1
1-1000	9
1001-5000	8
5001-10000	2
10001-50000	24
50001-100000	9
100001-500000	36
500001-1000000	13
1000001-5000000	32
5000001-10000000	7
10000001-100000000	12
<b>Total</b>	<b>153</b>

### During the period under question:

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

### NBP Income Fund of Fund - NBP Cash Plan - II

NBP Income Fund of Fund - NBP Cash Plan - II (NCP-II) is an Open Ended - Fund of Fund Scheme.

### Investment Objective of the Fund

The objective of NBP Cash Plan - II is to provide stable income stream with preservation of capital by investing in AA and above rated banks and money market Funds managed by NBP Funds Management Limited.

### Benchmark

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

### Fund Performance Review

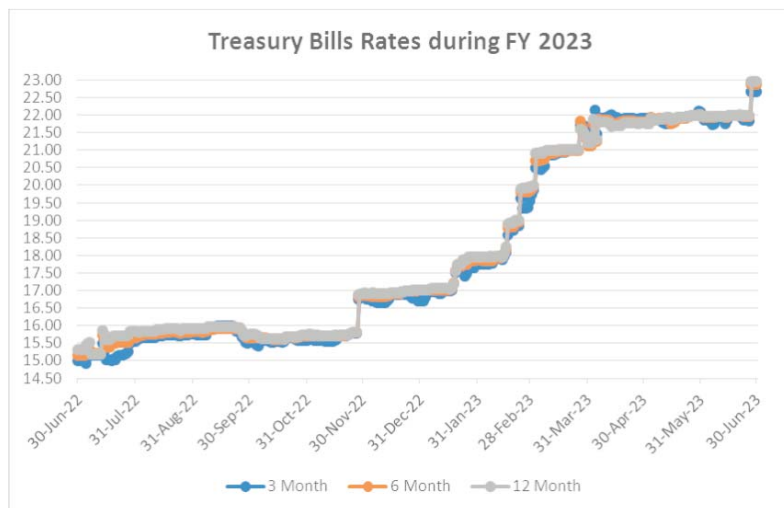
This is the 1st Annual report since the launch of the Fund on January 10, 2023. The Fund size stands at Rs. 6,261 million as of June 30, 2023. The Fund's return since its inception is 18.6% p.a. versus the benchmark return of 19.3% p.a. This performance is net of management fee and all other expenses.

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
Money Market Fund	82.92%
Cash & Other Assets	17.08%
<b>Total</b>	<b>100.00%</b>

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



## Distribution for the Financial Year 2023

Interim Period/ Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex-Div. Price
Daily	8.207%	10.8207	10

## Unit Holding Pattern of NBP Income Fund of Fund - NBP Cash Plan - II as on June 30, 2023

Size of Unit Holding (Units)	# of Unit Holders
0-0.9999	1
1-1000	5
1001-5000	3
5001-10000	2
10001-50000	9
50001-100000	4
100001-500000	14
500001-1000000	9
1000001-5000000	13
5000001-10000000	3
10000001-100000000	13
<b>Total</b>	<b>76</b>

During the period under question:

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

## NBP Income Fund of Fund - NBP Income Plan - I

NBP Income Fund of Fund - NBP Income Plan - I (NIP-I) is an Open Ended - Fund of Fund Scheme.

### Investment Objective of the Fund

The objective of NBP Income Plan - I is to provide income enhancement and preservation of capital by investing in bank deposits and Income Funds Managed by NBP Funds Management Limited.

### Benchmark

Average 6 Month KIBOR.

### Fund Performance Review

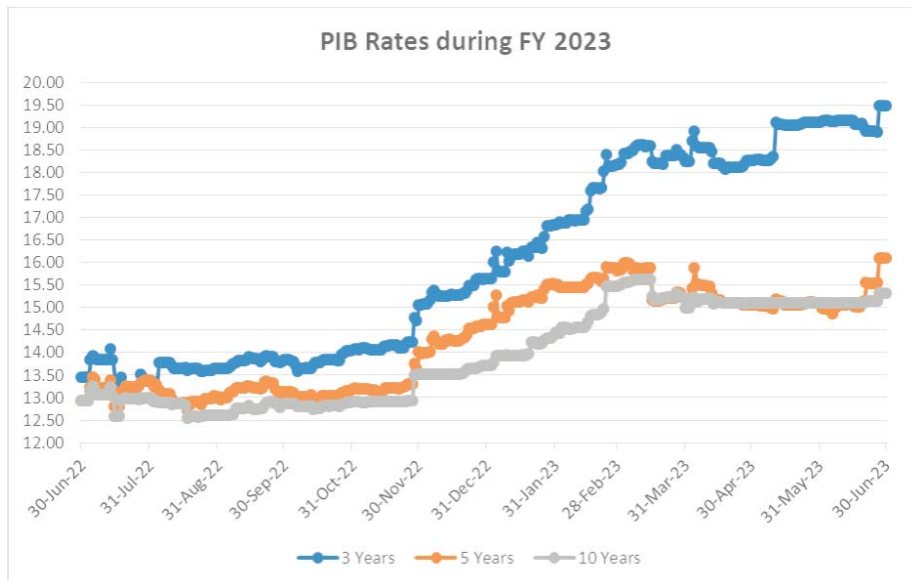
This is the 1st Annual report since the launch of the Fund on January 10, 2023. The Fund size stands at Rs. 898 million as of June 30, 2023. Since its inception, the Fund posted a return of 19.9% p.a. versus the benchmark return of 20.8% p.a. The return of the Fund is net of the management fee.

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

### Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-23
Income Fund	55.83%
Cash & Other Assets	44.17%
<b>Total</b>	<b>100.00%</b>

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



### Distribution for the Financial Year 2023

Interim Period/ Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex-Div. Price
Interim	8.508%	10.8508	10

### Unit Holding Pattern of NBP Income Fund of Fund - NBP Income Plan - I as on June 30, 2023

Size of Unit Holding (Units)	# of Unit Holders
0-0.9999	2
1-1000	11
1001-5000	8
5001-10000	4
10001-50000	29
50001-100000	24
100001-500000	57
500001-1000000	9
1000001-5000000	16
5000001-10000000	2
10000001-100000000	1
<b>Total</b>	<b>163</b>

During the period under question

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

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Income Fund of Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of NBP Income Fund of 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 period from January 10, 2023 to June 30, 2023, 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 period from January 10, 2023 to June 30, 2023 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	<p><b>Net Asset Value</b> (Refer notes 4 and 5 to the annexed financial statements)</p> <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. 1,709.875 million and Rs. 10,651.663 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"> <li>tested the design and operating effectiveness of the key controls for valuation of investments;</li> <li>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;</li> </ul>

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

## 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: AR2023100614IYowEg0B



## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

		2023			
		NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total
<b>Note</b>		(Rupees in 000)			
<b>ASSETS</b>					
Balances with banks	4	224,028	1,071,893	413,954	1,709,875
Investments	5	4,959,411	5,191,071	501,181	10,651,663
Profit receivable	6	1,910	5,621	2,635	10,166
Preliminary expenses and floatation costs	7	356	356	356	1,068
<b>Total assets</b>		<b>5,185,705</b>	<b>6,268,941</b>	<b>918,126</b>	<b>12,372,772</b>
<b>LIABILITIES</b>					
Payable to NBP Fund Management Limited - the Management Company	8	3,356	3,323	8,597	15,276
Payable to the Central Depository Company of Pakistan Limited - the Trustee	9	333	399	98	830
Payable to the Securities and Exchange Commission of Pakistan	10	410	418	131	959
Payable against redemption of units		40,715	1,505	9	42,229
Accrued expenses and other liabilities	11	17,578	2,769	11,647	31,994
<b>Total liabilities</b>		<b>62,392</b>	<b>8,414</b>	<b>20,482</b>	<b>91,288</b>
<b>NET ASSETS</b>		<b>5,123,313</b>	<b>6,260,527</b>	<b>897,644</b>	<b>12,281,484</b>
<b>UNIT HOLDERS' FUND</b> (as per statement attached)		<b>5,123,313</b>	<b>6,260,527</b>	<b>897,644</b>	<b>12,281,484</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	----- No. of units -----			
<b>NUMBER OF UNITS IN ISSUE</b>	13	<u>510,083,440</u>	<u>625,072,041</u>	<u>89,085,781</u>	
		----- Rupees -----			
<b>NET ASSET VALUE PER UNIT</b>		<u>10.0441</u>	<u>10.0157</u>	<u>10.0762</u>	

The annexed notes 1 to 29 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 PERIOD FROM JANUARY 10, 2023 TO JUNE 30, 2023

	For the period from January 10, 2023 to June 30, 2023			Total	
	NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I		
<b>INCOME</b>	Note ----- (Rupees in 000) -----				
Gain on sale of investments	13,410	37,631	13,020	64,061	
Dividend income	330,249	307,647	97,312	735,208	
Profit on balances with banks	12,544	33,395	11,645	57,584	
	356,203	378,673	121,977	856,853	
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss'	5.2	24,021	28,043	4,520	56,584
<b>Total income</b>		380,224	406,716	126,497	913,437
<b>EXPENSES</b>					
Remuneration of NBP Fund Management Limited - the Management Company	8.1	435	1,240	506	2,181
Sindh sales tax on remuneration of Management Company	8.2	57	161	66	284
Remuneration of the Central Depository Company of Pakistan Limited - the Trustee	9.1	1,437	1,463	458	3,358
Sindh sales tax on remuneration of Trustee	9.2	187	190	60	437
Annual fee of the Securities and Exchange Commission of Pakistan	10.1	410	418	131	959
Bank charges		15	41	87	143
Annual listing fee		9	9	9	27
Auditors' remuneration	14	238	231	270	739
Legal and professional charges		33	89	133	255
Amortisation of preliminary expenses and floatation costs	7	37	37	37	111
Printing charges		9	9	59	77
<b>Total operating expenses</b>		2,867	3,888	1,816	8,571
<b>Net income for the period before taxation</b>		377,357	402,828	124,681	904,866
Taxation	16	-	-	-	-
<b>Net income for the period after taxation</b>		377,357	402,828	124,681	904,866
<b>Earnings per unit</b>	17				
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		377,357	402,828	124,681	
Income already paid on units redeemed		(252,628)	-	(99,658)	
		124,729	402,828	25,023	
<b>Accounting income available for distribution</b>					
- Relating to capital gains		37,431	65,674	17,540	
- Excluding capital gains		87,298	337,154	7,483	
		124,729	402,828	25,023	

The annexed notes 1 to 29 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 PERIOD FROM JANUARY 10, 2023 TO JUNE 30, 2023

	For the period from January 10, 2023 to June 30, 2023			Total
	NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	
	----- (Rupees in 000) -----			
Net income for the period after taxation	377,357	402,828	124,681	904,866
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>377,357</u>	<u>402,828</u>	<u>124,681</u>	<u>904,866</u>

The annexed notes 1 to 29 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 PERIOD FROM JANUARY 10, 2023 TO JUNE 30, 2023

For the period from January 10, 2023 to June 30, 2023									Total		
NBP Cash Plan - I (NCP - I)			NBP Cash Plan - II (NCP - II)			NBP Income Plan - I (NIP - I)			Capital value	Undistrib-uted income	Total
Capital value	Undistri-buted income	Total	Capital value	Undistri-buted income	Total	Capital value	Undistri-buted income	Total	Capital value	Undistri-buted income	Total

(Rupees in 000)

Issuance of units:

NCP-I: 1,074,180,555 units / NCP-II: 1,800,331,278 units / NIP-I: 398,056,760 units

- Capital value (at par value per unit at the beginning of the period)

- Element of income / (loss)

Total proceeds on issuance of units

10,741,806	-	10,741,806	18,003,313	-	18,003,313	3,980,568	-	3,980,568	32,725,687	-	32,725,687
361,140	-	361,140	(190)	-	(190)	88,445	-	88,445	449,395	-	449,395
11,102,946	-	11,102,946	18,003,123	-	18,003,123	4,069,013	-	4,069,013	33,175,082	-	33,175,082

Redemption of units:

NCP-I: 564,097,115 units / NCP-II: 1,175,259,237 units / NIP-I: 308,970,979 units

- Capital value (at par value per unit at the beginning of the period)

- Element of loss

Total payments on redemption of units

(5,640,971)	-	(5,640,971)	(11,752,592)	-	(11,752,592)	(3,089,710)	-	(3,089,710)	(20,483,273)	-	(20,483,273)
(97,620)	(252,628)	(350,248)	-	-	-	(45,681)	(99,658)	(145,339)	(143,301)	(352,286)	(495,587)
(5,738,591)	(252,628)	(5,991,219)	(11,752,592)	-	(11,752,592)	(3,135,391)	(99,658)	(3,235,049)	(20,626,574)	(352,286)	(20,978,860)

Total comprehensive income for the period

Total Distribution during the period:

NCP-II (see note 19)

NCP-I @ Re. 0.8404 per unit declared on June 22, 2023

NIP-I @ Re. 0.8508 per unit declared on June 22, 2023

-	377,357	377,357	-	402,828	402,828	-	124,681	124,681	-	904,866	904,866
-	-	-	-	(392,832)	(392,832)	-	-	-	-	(392,832)	(392,832)
(263,927)	(101,844)	(365,771)	-	-	-	-	-	-	(263,927)	(101,844)	(365,771)
-	-	-	-	-	-	(41,517)	(19,484)	(61,001)	(41,517)	(19,484)	(61,001)
(263,927)	275,513	11,586	-	9,996	9,996	(41,517)	105,197	63,680	(305,444)	390,706	85,262

Net assets at the end of the period

Undistributed income brought forward

- Realised income

- Unrealised income

Accounting income available for distribution

- Relating to capital gains

- Excluding capital gains

Distribution for the period ended June 30, 2023: NCP-I

@ Re. 0.8404 per unit / NIP-I @ Re. 0.8508 per unit

(date of declaration: June 22, 2023) / NCP-II (see Note 19)

Undistributed income carried forward

Undistributed income carried forward

- Realised income / (losses)

- Unrealised income

5,100,428	22,885	5,123,313	6,250,531	9,996	6,260,527	892,105	5,539	897,644	12,243,064	38,420	12,281,484
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
37,431			65,674			17,540					
87,298			337,154			7,483					
124,729			402,828			25,023					
(101,844)			(392,832)			(19,484)					
22,885			9,996			5,539					
(1,136)			(18,047)			1,019					
24,021			28,043			4,520					
22,885			9,996			5,539					

Net asset value per unit at the beginning of the period

Net asset value per unit at the end of the period

The annexed notes 1 to 29 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 PERIOD FROM JANUARY 10, 2023 TO JUNE 30, 2023

	For the period from January 10, 2023 to June 30, 2023			Total
	NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	377,357	402,828	124,681	904,866
<b>Adjustments</b>				
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.2 (24,021)	(28,043)	(4,520)	(56,584)
Profit on balances with banks	(12,544)	(33,395)	(11,645)	(57,584)
Amortisation of preliminary expenses and floatation costs	37	37	37	111
	(36,528)	(61,401)	(16,128)	(114,057)
<b>Increase in assets</b>				
Investments	(4,935,390)	(5,163,028)	(496,661)	(10,595,079)
	(4,935,390)	(5,163,028)	(496,661)	(10,595,079)
<b>Increase in liabilities</b>				
Payable to NBP Fund Management Limited - the Management Company	2,963	2,930	8,204	14,097
Payable to the Central Depository Company of Pakistan Limited - the Trustee	333	399	98	830
Payable to the Securities and Exchange Commission of Pakistan	410	418	131	959
Accrued expenses and other liabilities	17,578	2,769	11,647	31,994
	21,284	6,516	20,080	47,880
Profit received on balances with banks	10,634	27,774	9,010	47,418
<b>Net cash used in operating activities</b>	(4,562,643)	(4,787,311)	(359,018)	(9,708,972)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net receipts from issuance of units	10,839,019	18,003,123	4,027,496	32,869,638
Net payments against redemption of units	(5,950,504)	(11,751,087)	(3,235,040)	(20,936,631)
Distributions paid	(101,844)	(392,832)	(19,484)	(514,160)
<b>Net cash generated from financing activities</b>	4,786,671	5,859,204	772,972	11,418,847
<b>Net increase in cash and cash equivalents during the period</b>	224,028	1,071,893	413,954	1,709,875
Cash and cash equivalents at the beginning of the period	-	-	-	-
<b>Cash and cash equivalents at the end of the period</b>	4 224,028	1,071,893	413,954	1,709,875

The annexed notes 1 to 29 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 PERIOD FROM JANUARY 10, 2023 TO JUNE 30, 2023

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NAFA Income Fund of Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on October 05, 2022 and duly registered under Section 16 of of the Sindh Trust Act, 2020 on November 1, 2022, in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (the SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund has been categorised as an open ended fund of funds by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from January 10, 2023 (NCP - I, NCP - II and NIP - I) and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of NBP Cash Plan - I (NCP - I), NBP Cash Plan - II (NCP - II) and NBP Income Plan - I (NIP - I) is to earn potentially high returns by investing in Fixed Income and Money Market schemes managed by NBP Funds. The investment objectives and policies are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has reaffirmed an Asset Manager Rating of AM1 as at June 22, 2023 (June 22, 2022: AM1) to the Management Company. The Fund has not yet been rated.
- 1.6 The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

### 2 BASIS OF PRESENTATION

#### 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 applicable in Pakistan comprise of:

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ 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 the 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 reporting standards that are not yet effective:**

There are certain 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 are, therefore, not disclosed in these financial statements.

## **2.4 Critical accounting estimates and judgments**

The preparation of the financial statements in conformity with the accounting and reporting standards 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 investments that have been carried 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 Pakistan 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 unless otherwise stated.

### **3.1 Cash and cash equivalents**

These comprise balances with banks in profit and loss sharing and current accounts, cheques in hand 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:

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

based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as puttable instruments and are mandatorily required to be classified as financial assets 'at fair value through profit or loss'.

### 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 in the collective investment schemes**

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the income statement.

### 3.2.4 Impairment

The Fund assesses on a forward-looking basis the expected credit loss (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises loss allowances 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 forecasts of future economic conditions.

### 3.2.5 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.

### 3.2.6 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.

### 3.2.7 Derivatives

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

## 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 stated 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 Issue and redemption of units**

Units issued are recorded at the offer price of each plan, 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 of 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 of each plan for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of 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 Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a 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.

### **3.10 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 will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded on 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 year in which these arise.
- Profit on balances with banks is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.

### 3.12 Expenses

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

### 3.13 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 ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to 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 to the Income Tax Ordinance, 2001.

### 3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income / (loss) 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 17.

### 3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan 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.

		2023				
		NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total	
<b>4</b>	<b>BALANCES WITH BANKS</b>	Note ----- (Rupees in 000) -----				
	Savings Accounts	4.1	224,028	1,071,893	413,954	1,709,875
			<u>224,028</u>	<u>1,071,893</u>	<u>413,954</u>	<u>1,709,875</u>
<b>4.1</b>	These include balances of Rs. 0.43 million in NCP - I, Rs. 0.25 million in NCP - II and Rs. 0.10 million in NIP - I maintained with National Bank of Pakistan carrying profits at the rate of 18.4% per annum. Other savings accounts carry profit at the rates ranging from 18.5% to 19.5% per annum for NCP - I, 18.5% to 19.5% per annum for NCP - II and 18.5% to 21.6% per annum for NIP - I.					
<b>5</b>	<b>INVESTMENTS</b>					
	<b>Financial assets 'at fair value through profit or loss'</b>					
	- Units of open ended mutual funds	5.1	<u>4,959,411</u>	<u>5,191,071</u>	<u>501,181</u>	<u>10,651,663</u>

## 5.1 Investment in units of open ended mutual funds - related parties

### 5.1.1 NBP Cash Plan - I

Name of the investee funds	As at July 1, 2022	Purchased during the period	Sold during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation	Market value as a percentage of	
								Net Assets of NCP - I	Total Investments of NCP - I
----- Number of units -----					----- (Rupees in 000) -----		----- % -----		
NBP Money Market Fund	-	725,867,573	228,917,668	496,949,905	4,935,390	4,959,411	24,021	96.80%	100.00%
<b>As at June 30, 2023</b>					<b>4,935,390</b>	<b>4,959,411</b>	<b>24,021</b>	<b>96.80%</b>	<b>100.00%</b>

### 5.1.2 NBP Cash Plan - II

Name of the investee funds	As at July 1, 2022	Purchased during the period	Sold during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation	Market value as a percentage of	
								Net Assets of NCP - II	Total Investments of NCP - II
----- Number of units -----					----- (Rupees in 000) -----		----- % -----		
NBP Money Market Fund	-	1,051,244,570	531,081,527	520,163,043	5,163,028	5,191,071	28,043	82.92%	100.00%
<b>As at June 30, 2023</b>					<b>5,163,028</b>	<b>5,191,071</b>	<b>28,043</b>	<b>82.92%</b>	<b>100.00%</b>

### 5.1.3 NBP Income Plan - I

Name of the investee funds	As at July 1, 2022	Purchased during the period	Sold during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation	Market value as a percentage of	
								Net Assets of NIP - I	Total Investments of NIP - I
----- Number of units -----					----- (Rupees in 000) -----		----- % -----		
NBP Financial Sector Income Fund	-	266,075,774	218,915,113	47,160,661	496,661	501,181	4,520	55.83%	100.00%
<b>As at June 30, 2023</b>					<b>496,661</b>	<b>501,181</b>	<b>4,520</b>	<b>55.83%</b>	<b>100.00%</b>

## 5.2 Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'

Note	2023				
	NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total	
	----- (Rupees in 000) -----				
Market value of investments	5.1	4,959,411	5,191,071	501,181	10,651,663
Less: carrying value of investments	5.1	4,935,390	5,163,028	496,661	10,595,079
		<u>24,021</u>	<u>28,043</u>	<u>4,520</u>	<u>56,584</u>

## 6 PROFIT RECEIVABLE

Profit receivable on bank balances		<u>1,910</u>	<u>5,621</u>	<u>2,635</u>	<u>10,166</u>
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## 7 PRELIMINARY EXPENSES AND FLOATATION COSTS

Incurring during the period		393	393	393	1,179
Less: amortisation during the period		37	37	37	111
At the end of the period		<u>356</u>	<u>356</u>	<u>356</u>	<u>1,068</u>

- 7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

		2023				
		NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total	
<b>8</b>	<b>PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY</b>	Note ----- (Rupees in 000) -----				
	Remuneration payable to Management Company	8.1	95	174	119	388
	Sindh sales tax payable on remuneration of Management Company	8.2	12	23	15	50
	Sales load payable		2,503	2,398	7,106	12,007
	Sindh sales tax payable on sales load		325	312	924	1,561
	ADC charges payable including Sindh sales tax		15	-	17	32
	Payable against formation cost		393	393	393	1,179
	Other payables		13	23	23	59
			<u>3,356</u>	<u>3,323</u>	<u>8,597</u>	<u>15,276</u>

- 8.1 As per Regulation 61 of the NBFC Regulation, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration for plans NCP - I, NCP - II and NIP - I at the rate of 1% per annum of the average net assets after deducting market value of investments in collective investment schemes. The remuneration is payable to the Management Company monthly in arrears.

- 8.2 During the period, an amount of Rs 0.06 million in NCP-I, Rs 0.16 million in NCP-II and Rs 0.07 million in NIP-I was charged on account of sales tax at the rate of 13% on management fee levied through Sindh Sales Tax on Services Act, 2011.

		2023				
		NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total	
<b>9</b>	<b>PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY</b>	Note ----- (Rupees in 000) -----				
	Trustee fee payable	9.1	295	353	87	735
	Sindh sales tax on trustee fee	9.2	38	46	11	95
			<u>333</u>	<u>399</u>	<u>98</u>	<u>830</u>

- 9.1 The Trustee is entitled to monthly remuneration of 0.07% per annum of average net assets for services rendered to the Fund under the provisions of the Trust Deed.

- 9.2 During the period, an amount of Rs 0.19 million in NCP-I, Rs 0.19 million in NCP-II and Rs 0.06 million in NCP-I, was charged on account of sales tax at the rate of 13% on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

		2023				
		NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total	
<b>10</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	Note ----- (Rupees in 000) -----				
	Annual fee payable	10.1	410	418	131	959

- 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% of the average annual net assets of the Fund.

		2023			
		NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total
11	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	----- (Rupees in 000) -----			
	Auditors' remuneration payable	220	230	270	720
	Printing charges payable	9	7	59	75
	Legal and professional charges payable	33	89	133	255
	Withholding tax payable	17,307	2,425	11,124	30,856
	Bank charges payable	9	18	61	88
		<u>17,578</u>	<u>2,769</u>	<u>11,647</u>	<u>31,994</u>

## 12 CONTINGENCIES AND COMMITMENTS

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

		2023			
		NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total
13	<b>NUMBER OF UNITS IN ISSUE</b>	----- Number of units -----			
	Total units in issue at the beginning of the period	-	-	-	-
	Units issued during the period	1,074,180,555	1,800,331,278	398,056,760	3,272,568,593
	Less: units redeemed during the period	564,097,115	1,175,259,237	308,970,979	2,048,327,331
	Total units in issue at the end of the period	<u>510,083,440</u>	<u>625,072,041</u>	<u>89,085,781</u>	<u>1,224,241,262</u>

		2023			
		NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total
14	<b>AUDITORS' REMUNERATION</b>	----- (Rupees in 000) -----			
	Annual audit fee	150	150	150	450
	Other certification	50	25	75	150
	Out of pocket expenses	20	39	25	84
	Sales tax	18	17	20	55
		<u>238</u>	<u>231</u>	<u>270</u>	<u>739</u>

## 15 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.

## 16 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management has distributed the required minimum percentage of income earned by NCP - I, NCP - II and NIP - I for the period ended June 30, 2023 to the unit holders in cash during the period, no provision for taxation has been made in these financial statements for NCP - I, NCP - II and NIP - I.

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

## 17 EARNINGS PER UNIT (EPU)

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

## 18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 0.14% in NCP - I, 0.19% in NCP - II and 0.28% in NIP - I which includes 0.03% in NCP - I, 0.04% in NCP - II and 0.04% in NIP - I respectively representing government levies and the SECP fee. The TER excluding government levies and the SECP fee is 0.11% in NCP - I, 0.15% in NCP - II and 0.24% in NIP - I which is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Fund of Funds' scheme.

## 19 TOTAL DISTRIBUTION

NCP - II makes distribution on daily basis and re-invests the distributed dividend as per clause 5.1(b) of the Offering Document. During the period ended June 30, 2023, the Management Company on behalf of the Fund, has distributed Rs 392.83 million as dividend after deducting applicable taxes for the period ended June 30, 2023.

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
January 12, 2023	0.0077	March 10, 2023	0.0048	May 9, 2023	0.0056
January 13, 2023	0.0038	March 13, 2023	0.0148	May 10, 2023	0.0058
January 16, 2023	0.0108	March 14, 2023	0.0050	May 11, 2023	0.0056
January 26, 2023	0.0244	March 15, 2023	0.0049	May 12, 2023	0.0056
January 27, 2023	0.0047	March 16, 2023	0.0050	May 15, 2023	0.0163
January 30, 2023	0.0130	March 17, 2023	0.0047	May 16, 2023	0.0055
January 31, 2023	0.0048	March 20, 2023	0.0150	May 17, 2023	0.0053
February 1, 2023	0.0089	March 21, 2023	0.0045	May 18, 2023	0.0053
February 2, 2023	0.0045	March 22, 2023	0.0045	May 19, 2023	0.0050
February 3, 2023	0.0043	March 27, 2023	0.0244	May 22, 2023	0.0159
February 6, 2023	0.0139	March 28, 2023	0.0048	May 23, 2023	0.0045
February 7, 2023	0.0068	March 29, 2023	0.0049	May 24, 2023	0.0047
February 8, 2023	0.0060	March 30, 2023	0.0048	May 25, 2023	0.0057
February 9, 2023	0.0043	March 31, 2023	0.0049	May 26, 2023	0.0055
February 10, 2023	0.0044	April 3, 2023	0.0141	May 29, 2023	0.0164
February 13, 2023	0.0139	April 4, 2023	0.0046	May 30, 2023	0.0054
February 14, 2023	0.0042	April 5, 2023	0.0059	May 31, 2023	0.0057
February 15, 2023	0.0034	April 6, 2023	0.0052	June 1, 2023	0.0059
February 16, 2023	0.0010	April 7, 2023	0.0055	June 2, 2023	0.0063
February 17, 2023	0.0066	April 10, 2023	0.0162	June 5, 2023	0.0166
February 18, 2023	0.0000	April 11, 2023	0.0053	June 6, 2023	0.0051
February 19, 2023	0.0000	April 12, 2023	0.0059	June 7, 2023	0.0053
February 20, 2023	0.0116	April 13, 2023	0.0027	June 8, 2023	0.0055
February 21, 2023	0.0042	April 14, 2023	0.0092	June 9, 2023	0.0053
February 22, 2023	0.0042	April 17, 2023	0.0168	June 12, 2023	0.0160
February 23, 2023	0.0012	April 18, 2023	0.0055	June 13, 2023	0.0053
February 24, 2023	0.0044	April 19, 2023	0.0057	June 14, 2023	0.0054
February 27, 2023	0.0143	April 20, 2023	0.0057	June 15, 2023	0.0053
February 28, 2023	0.0040	April 26, 2023	0.0329	June 16, 2023	0.0055
March 1, 2023	0.0039	April 27, 2023	0.0052	June 19, 2023	0.0166
March 2, 2023	0.0033	April 28, 2023	0.0059	June 20, 2023	0.0054
March 3, 2023	0.0026	May 2, 2023	0.0217	June 21, 2023	0.0061
March 6, 2023	0.0145	May 3, 2023	0.0063	June 22, 2023	0.0062
March 7, 2023	0.0054	May 4, 2023	0.0057	June 23, 2023	0.0063
March 8, 2023	0.0052	May 5, 2023	0.0071	June 26, 2023	0.0172
March 9, 2023	0.0052	May 8, 2023	0.0161		

## 20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 20.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 20.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 20.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.
- 20.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 20.5** Details of the transactions with related parties / connected persons are as follows:

For the period from January 10, 2023 to June 30, 2023			
NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total
----- (Rupees in 000) -----			

### NBP Fund Management Limited - the Management Company

Remuneration of the Management Company	435	1,240	506	2,181
Sindh sales tax on remuneration of the Management Company	57	161	66	284
ADC Charges including sales tax	15	-	17	32
Sales load including sales tax	2,828	2,710	8,030	13,568

### Central Depository Company of Pakistan Limited - the Trustee

Remuneration of the Central Depository Company of Pakistan Limited - the Trustee	1,437	1,463	458	3,358
Sindh sales tax on remuneration of the Trustee	187	190	60	437

### Employees of the Management Company

Units issued / transferred in:

- 373,645 units (NCP - I)	3,801	-	-	3,801
- 2,094 units (NCP - II)	-	21	-	21
- 770,804 units (NIP - I)	-	-	7,852	7,852

Units redeemed / transferred out:

- 354,992 units (NCP - I)	3,741	-	-	3,741
- 2,091 units (NCP - II)	-	21	-	21
- 560,936 units (NIP - I)	-	-	6,070	6,070

Dividend re-invested :

- 888 units (NCP - I)	9	-	-	9
- 57 units (NCP - II)	-	1	-	1
- 128 units (NIP - I)	-	-	1	1

For the period from January 10, 2023 to June 30, 2023

NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total
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----- (Rupees in 000) -----

**NBP Fullerton Asset Management Limited - Employees Provident Fund**

Units issued / transferred in:

- 5,244,087 units (NCP - I) 52,825 - - 52,825

Units redeemed / transferred out:

- 5,244,087 units (NCP - I) 54,629 - - 54,629

**Portfolio managed by the Management Company**

Units issued / transferred in:

- 101,154,319 units (NCP - I) 1,031,002 - - 1,031,002

- 48,467,370 units (NCP - II) - 484,674 - - 484,674

Units redeemed / transferred out:

- 99,651,783 units (NCP - I) 1,035,306 - - 1,035,306

- 4,785,974 units (NCP - II) - 47,860 - - 47,860

Dividend re-invested:

- 1,193,328 units (NCP - I) 11,941 - - 11,941

- 2,608,441 units (NCP - II) - 26,085 - - 26,085

**Abbott Laboratories Limited Staff Pension Fund - FI - unit holder with more than 10% holding**

Units issued / transferred in:

597,630 - - 597,630

- 59,762,993 units (NCP - I)

Dividend re-invested:

34,306 - - 34,306

- 3,428,324 units (NCP - I)

**Qaswa Industries (Private) Limited - unit holder with more than 10% holding**

Units issued / transferred in:

- 105,000,000 units (NCP - II) - 950,000 - - 950,000

Units redeemed / transferred out:

- 10,000,000 units (NCP - II) - 100,000 - - 100,000

Dividend re-invested:

- 3,562,094 units (NCP - II) - 35,621 - - 35,621

**Cyber Internet Services Private Limited - unit holder with more than 10% holding**

Units issued / transferred in:

- 99,168,190 units (NCP - II) - 991,682 - - 991,682

Units redeemed / transferred out:

- 35,000,000 units (NCP - II) - 350,000 - - 350,000

Dividend re-invested:

- 3,539,596 units (NCP - II) - 35,396 - - 35,396



For the period from January 10, 2023 to June 30, 2023				
NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total	
----- (Rupees in 000) -----				
<b>Interloop Dairies Limited - unit holder with more than 10% holding</b>				
Units issued / transferred in:				
- 154,243,385 units (NCP - II)	-	1,542,315	-	1,542,315
Units redeemed / transferred out:				
- 80,000,000 units (NCP - II)	-	800,000	-	800,000
Dividend re-invested:				
- 3,654,677 units (NCP - II)	-	36,547	-	36,547
<b>Interloop Holdings (Private) Limited - unit holder with more than 10% holding</b>				
Units issued / transferred in:				
- 88,043,717 units (NCP - II)	-	880,366	-	880,366
Units redeemed / transferred out:				
- 20,000,000 units (NCP - II)	-	200,000	-	200,000
Dividend re-invested:				
- 1,946,018 units (NCP - II)	-	19,460	-	19,460
<b>PTCL Employees General Provident Fund - unit holder with more than 10% holding</b>				
Units issued / transferred in:				
- 178,406,749 units (NCP - I)	1,790,642	-	-	1,790,642
Units redeemed / transferred out:				
- 85,606,202 units (NCP - I)	928,005	-	-	928,005
<b>Hameed Haroon - unit holder with more than 10% holding</b>				
Units issued / transferred in:				
- 75,644,342 units (NCP - I)	756,663	-	-	756,663
Units redeemed / transferred out:				
- 20,192,064 units (NCP - I)	218,890	-	-	218,890
<b>Nasir Munir Ahmed - unit holder with more than 10% holding</b>				
Units issued / transferred in:				
- 34,499,302 units (NIP - I)	-	-	349,736	349,736
Units redeemed / transferred out:				
- 17,131,380 units (NIP - I)	-	-	185,588	185,588
<b>NBP Money Market Fund</b>				
Dividend income	330,249	307,647	-	637,896
Units purchased:				
- 725,867,573 units (NCP - I)	7,209,332	-	-	7,209,332
- 1,051,244,570 units (NCP - II)	-	10,440,886	-	10,440,886
Units sold:				
- 228,917,668 units (NCP - I)	2,287,400	-	-	2,287,400
- 531,081,527 units (NCP - II)	-	5,315,712	-	5,315,712
<b>NBP Financial Sector Income Fund</b>				
Dividend income	-	-	97,312	97,312
Units purchased:				
- 266,075,774 units (NIP - I)	-	-	2,816,391	2,816,391
Units sold:				
- 218,915,113 units (NIP - I)	-	-	2,332,750	2,332,750

## 20.6 Amounts outstanding as at period end

	2023			Total
	NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	
	----- (Rupees in 000) -----			
<b>NBP Fund Management Limited - the Management Company</b>				
Remuneration payable to the Management Company	95	174	119	388
Sindh sales tax payable on remuneration of the Management Company	12	23	15	50
Other payables	13	23	23	59
ADC charges payable including Sindh Sales Tax	15	-	17	32
Sales load payable	2,503	2,398	7,106	12,007
Sindh sales tax payable on sales load	325	312	924	1,561
Payable against formation cost	393	393	393	1,179
<b>Central Depository Company of Pakistan Limited - the Trustee</b>				
Remuneration payable	295	353	87	735
Sindh sales tax payable on remuneration of the Trustee	38	46	11	95
<b>National Bank of Pakistan - Parent company</b>				
Bank balances	433	250	100	783
<b>Employee of the Management Company</b>				
Units held:				
- 19,541 units (NCP - I)	196	-	-	196
- 60 units (NCP - II)	-	1	-	1
- 209,996 units (NIP - I)	-	-	2,116	2,116
<b>Abbott Laboratories Limited Staff Pension Fund - FI - unit holder with more than 10% holding</b>				
Units held: 63,191,317 units (NCP - I)	634,700	-	-	634,700
<b>Portfolio managed by the Management Company</b>				
Units held:				
- 2,695,864 units (NCP - I)	27,077	-	-	27,077
- 46,289,837 units (NCP - II)	-	463,624	-	463,624
<b>NBP Money Market Fund</b>				
Investment in:				
- 496,949,905 units (NCP - I)	4,959,411	-	-	4,959,411
- 520,163,043 units (NCP - II)	-	5,191,071	-	5,191,071
<b>NBP Financial Sector Income Fund</b>				
Investment in:				
- 47,160,661 units (NIP - I)	-	-	501,181	501,181
<b>Qaswa Industries (Private) Limited - unit holder with more than 10% holding</b>				
Units held:				
- 98,562,094 units (NCP - II)	-	987,168	-	987,168

2023			
NBP Cash Plan - I	NBP Cash Plan - II	NBP Income Plan - I	Total

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

**PTCL Employees General Provident Fund - unit holder with more than 10% holding**

Units held:

- 92,800,547 units (NCP - I)	932,098	-	-	932,098
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**Interloop Dairies Limited - unit holder with more than 10% holding**

Units held:

- 77,898,062 units (NCP - II)	-	780,204	-	780,204
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**Interloop Holdings (Private) Limited - unit holder with more than 10% holding**

Units held:

- 69,989,735 units (NCP - II)	-	700,996	-	700,996
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**Cyber Internet Services Private Limited - unit holder with more than 10% holding**

Units held:

- 67,707,786 units (NCP - II)	-	678,141	-	678,141
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**Hameed Haroon - unit holder with more than 10% holding**

Units held:

- 55,452,278 units (NCP - I)	556,968	-	-	556,968
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**Nasir Munir Ahmed - unit holder with more than 10% holding**

Units held:

- 17,367,922 units (NIP - I)	-	-	175,003	175,003
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**21 FINANCIAL INSTRUMENTS BY CATEGORY**

2023		
At amortised cost	At fair value through profit or loss	Total

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

**21.1 NBP Cash Plan - I**

**Financial assets**

Balances with banks	224,028	-	224,028
Investments	-	4,959,411	4,959,411
Profit receivable	1,910	-	1,910
	<u>225,938</u>	<u>4,959,411</u>	<u>5,185,349</u>

**Financial liabilities**

Payable to NBP Fund Management Limited - the Management Company	3,356	-	3,356
Payable to the Central Depository Company of Pakistan Limited - the Trustee	333	-	333
Payable against redemption of units	40,715	-	40,715
Accrued expenses and other liabilities	271	-	271
	<u>44,675</u>	<u>-</u>	<u>44,675</u>

		2023		
		At amortised cost	At fair value through profit or loss	Total
		(Rupees in 000)		
<b>21.2</b>	<b>NBP Cash Plan - II</b>			
	<b>Financial assets</b>			
	Balances with banks	1,071,893	-	1,071,893
	Investments	-	5,191,071	5,191,071
	Profit receivable	5,621	-	5,621
		<u>1,077,514</u>	<u>5,191,071</u>	<u>6,268,585</u>
	<b>Financial liabilities</b>			
	Payable to NBP Fund Management Limited - the Management Company	3,323	-	3,323
	Payable to the Central Depository Company of Pakistan Limited - the Trustee	399	-	399
	Payable against redemption of units	1,505	-	1,505
	Accrued expenses and other liabilities	344	-	344
		<u>5,571</u>	<u>-</u>	<u>5,571</u>
		2023		
		At amortised cost	At fair value through profit or loss	Total
		(Rupees in 000)		
<b>21.3</b>	<b>NBP Income Plan - I</b>			
	<b>Financial assets</b>			
	Balances with banks	413,954	-	413,954
	Investments	-	501,181	501,181
	Profit receivable	2,635	-	2,635
		<u>416,589</u>	<u>501,181</u>	<u>917,770</u>
	<b>Financial liabilities</b>			
	Payable to NBP Fund Management Limited - the Management Company	8,597	-	8,597
	Payable to the Central Depository Company of Pakistan Limited - the Trustee	98	-	98
	Payable against redemption of units	9	-	9
	Accrued expenses and other liabilities	523	-	523
		<u>9,227</u>	<u>-</u>	<u>9,227</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 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 and the regulations laid down by the SECP.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk and price risk.

## (i) Yield / profit rate risk

Yield / profit 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 profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks. 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

Presently, the Fund holds balances held with banks which expose the Fund to cash flow yield / profit 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 profit for the period and net assets of the Fund would have been higher / lower by Rs 2.24 million for NCP - I, Rs. 10.72 million for NCP - II and Rs 4.14 million for NIP-I.

### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit/cash flow profit rate risk.

The composition of the Fund's investment portfolio and KIBOR rates 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 yield / profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

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

## NBP Cash Plan - I

Effective yield / profit rate (%)	2023					
	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
(Rupees in 000)						
<b>Financial assets</b>						
Balances with banks	18.40% - 19.50%	224,028	-	-	-	224,028
Investments		-	-	-	4,959,411	4,959,411
Profit receivable		-	-	-	1,910	1,910
		224,028	-	-	4,961,321	5,185,349
<b>Financial liabilities</b>						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	3,356	3,356
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	333	333
Payable against redemption of units		-	-	-	40,715	40,715
Accrued expenses and other liabilities		-	-	-	271	271
		-	-	-	44,675	44,675
<b>On-balance sheet gap (a)</b>		224,028	-	-	4,916,646	5,140,674
<b>Off-balance sheet financial statements</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		224,028	-	-		
<b>Cumulative profit rate sensitivity gap</b>		224,028	224,028	224,028		

## NBP Cash Plan - II

2023					
Effective yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in 000)					
<b>Financial assets</b>					
Balances with banks	18.40% - 19.50%	1,071,893	-	-	1,071,893
Investments		-	-	5,191,071	5,191,071
Profit receivable		-	-	5,621	5,621
		1,071,893	-	5,196,692	6,268,585
<b>Financial liabilities</b>					
Payable to NBP Fund Management Limited - the Management Company		-	-	3,323	3,323
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	399	399
Payable against redemption of units		-	-	1,505	1,505
Accrued expenses and other liabilities		-	-	344	344
		-	-	5,571	5,571
<b>On-balance sheet gap</b>		1,071,893	-	5,191,121	6,263,014
<b>Off-balance sheet financial statements</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total profit rate sensitivity gap</b>		1,071,893	-	-	
<b>Cumulative profit rate sensitivity gap</b>		1,071,893	1,071,893	1,071,893	

## NBP Income Plan - I

2023					
Effective yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in 000)					
<b>Financial assets</b>					
Balances with banks	18.40% - 21.60%	413,954	-	-	413,954
Investments		-	-	501,181	501,181
Profit receivable		-	-	2,635	2,635
		413,954	-	503,816	917,770
Payable to NBP Fund Management Limited - the Management Company		-	-	8,597	8,597
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	98	98
Payable against redemption of units		-	-	9	9
Accrued expenses and other liabilities		-	-	523	523
		-	-	9,227	9,227
<b>On-balance sheet gap</b>		413,954	-	494,589	908,543
<b>Off-balance sheet financial statements</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total profit rate sensitivity gap</b>		413,954	-	-	
<b>Cumulative profit rate sensitivity gap</b>		413,954	413,954	413,954	

## (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 fair value or 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.

Presently, the allocation plans are exposed to price risk due to their investment in the units of mutual funds. In case of 5% increase / decrease in the net asset value per unit of the funds, the net income of the NCP - I, NCP - II and NIP - I for the period would increase / decrease by Rs 247.97 million, Rs 259.55 million and Rs 25.05 million respectively.

## 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 requests, 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 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 the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

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 period.

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:

### NBP Cash Plan - I

----- 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 five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

#### Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	3,356	-	-	-	-	3,356
Payable to the Central Depository Company of Pakistan Limited - the Trustee	333	-	-	-	-	333
Payable against redemption of units	40,715	-	-	-	-	40,715
Accrued expenses and other liabilities	51	220	-	-	-	271
	44,455	220	-	-	-	44,675

## NBP Cash Plan - II

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 five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

### Financial liabilities

Payable to NBP Fund Management

Limited - the Management Company

3,323	-	-	-	-	-	3,323
399	-	-	-	-	-	399
1,505	-	-	-	-	-	1,505
114	230	-	-	-	-	344
5,341	230	-	-	-	-	5,571

Payable to the Central Depository Company

of Pakistan Limited - the Trustee

Payable against redemption of units

Accrued expenses and other liabilities

## NBP Income Plan - I

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 five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

### Financial liabilities

Payable to NBP Fund Management

Limited - the Management Company

Payable to the Central Depository Company

of Pakistan Limited - the Trustee

Payable against redemption of units

Accrued expenses and other liabilities

8,597	-	-	-	-	-	8,597
98	-	-	-	-	-	98
9	-	-	-	-	-	9
253	270	-	-	-	-	523
8,957	270	-	-	-	-	9,227

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

(Rupees in 000)

### Financial assets

#### NBP Cash Plan - I

Balances with banks

Investments

Profit receivable

224,028	224,028
4,959,411	-
1,910	1,910
5,185,349	225,938

#### NBP Cash Plan - II

Balances with banks

Investments

Profit receivable

1,071,893	1,071,893
5,191,071	-
5,621	5,621
6,268,585	1,077,514



## Financial assets

### NBP Income Plan - I

Balances with banks  
Investments  
Profit receivable

2023	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- (Rupees in 000) -----	
413,954	413,954
501,181	-
2,635	2,635
<u>917,770</u>	<u>416,589</u>

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

The differences in the balance as per statement of assets and liabilities and maximum exposure is due to the fact that investments in mutual funds of Rs. 4.96 million for NCP-I, Rs. 5.19 million for NCP-II and Rs. 0.50 million for NIP-I are not exposed to credit risk.

### 22.3.2 Credit quality of financial assets

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

Rating	2023		
	% of financial assets exposed to credit risk		
	NCP - I	NCP - II	NIP - I
<b>Bank balances and accrued profit thereon</b>			
AAA	0.01%	0.01%	0.01%
AA+	4.23%	17.11%	44.97%
AA-	0.12%	0.08%	0.41%
	<u>4.36%</u>	<u>17.20%</u>	<u>45.39%</u>

### 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 are unsecured and are not impaired.

## 23 FAIR VALUE MEASUREMENT

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

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

Financial assets which are revalued at the net asset value prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and 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.

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

		2023			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in 000) -----			
<b>23.1</b>	<b>NBP Cash Plan - I</b>				
	<b>ASSETS</b>				
	Investments - financial assets 'at fair value through profit or loss' - Mutual fund units	-	4,959,411	-	4,959,411
<b>23.2</b>	<b>NBP Cash Plan - II</b>				
	<b>ASSETS</b>				
	Investments - financial assets 'at fair value through profit or loss' - Mutual fund units	-	5,191,071	-	5,191,071
<b>23.3</b>	<b>NBP Income Plan - I</b>				
	<b>ASSETS</b>				
	Investments - financial assets 'at fair value through profit or loss' - Mutual fund units	-	501,181	-	501,181

## 24 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. The units of the plans are entitled to dividends and to payment of a proportionate share based on the respective plans' 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	----- 2023 -----		
	Number of unit holders	Investment amount	Percentage of total
	----- (Rupees in 000) -----		
<b>NBP Cash Plan - I</b>			
Individuals	128	2,675,040	52.21%
Insurance Companies	1	269,659	5.26%
Retirement Funds	19	1,937,669	37.82%
Others	5	240,945	4.71%
	<u>153</u>	<u>5,123,313</u>	<u>100.00%</u>
<b>NBP Cash Plan - II</b>			
Individuals	38	149,192	2.38%
Public Limited Companies	4	1,735,577	27.72%
Retirement Funds	1	21,227	0.34%
Private Limited Companies	16	3,320,606	53.05%
Others	17	1,033,925	16.51%
	<u>76</u>	<u>6,260,527</u>	<u>100.00%</u>
<b>NBP Income Plan - I</b>			
Individuals	160	814,741	90.76%
Retirement funds	2	82,893	9.23%
Others	1	10	0.01%
	<u>163</u>	<u>897,644</u>	<u>100.00%</u>

## 26 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 26.1)	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

**26.1** 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 Government Securities Liquid Fund
- NBP Money Market Fund
- NBP Government Securities Savings Fund
- NBP NBP Mahana Amdani Fund

- NBP Financial Sector Income Fund
- NBP Income Opportunity Fund
- NBP Savings Fund
- NBP Mustahkam Fund
- NBP Government Securities Fund - I

## 27 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 27.1)	2	2	-	-
Ruhail Muhammad (note 27.2)	3	3	-	-
Dr. Amjad Waheed	6	6	-	-

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

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

## 28 GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

## 29 DATE OF AUTHORISATION FOR ISSUE

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

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## PERFORMANCE TABLE

Particulars	NIFF		
	NCP-I	NCP-II	NIP-I
	For the Period from Feb 28, 2023 to June 30, 2023	For the Period from Mar 27, 2023 to June 30, 2023	For the Period from May 10, 2023 to June 30, 2023
Net assets at the year / period ended (Rs '000)	5,123,313	6,260,527	897,644
Net income/(loss) for the year / period ended (Rs '000)	377,357	402,828	124,681
Net Asset Value per unit at the year / period ended (Rs)	10.0441	10.0157	10.0762
Offer Price per unit	10.3846	10.3552	10.4178
Redemption Price per unit	10.0441	10.0157	10.0762
Ex - Highest offer price per unit (Rs.)	10.3846	10.3552	10.4178
Ex - Lowest offer price per unit (Rs.)	9.2248	9.2125	9.2159
Ex - Highest redemption price per unit (Rs.)	10.0441	10.0157	10.0762
Ex - Lowest redemption price per unit (Rs.)	9.2248	9.2125	9.2159
Opening Nav of Fiscal Year/Since inception NAV	9.2248	9.2125	9.2159
Total return of the fund	18.96%	18.61%	19.93%
Capital growth	1.02%	1.09%	1.85%
Income distribution as a % of ex nav	17.94%	17.52%	18.16%
Income distribution as a % of par value	17.94%	17.52%	18.16%
Distribution			
Interim distribution per unit	0.8404	0.8207	0.8508
Distribution Dates			
Interim	22-Jun-23	Daily	22-Jun-23
Average annual return of the fund (Since inception to June 30, 2023)	18.96%	18.61%	19.93%
Portfolio Composition ( Please see Fund Manager Report)			
<b>Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up</b>			

## Head Office

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