

NBP
INCOME OPPORTUNITY
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

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
MCB Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited
Al Baraka Bank Pakistan Limited



Faysal Bank Limited
Silk Bank Limited
Soneri Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
Dubai Islamic Bank Limited
Khushhali Bank Limited
Bankislami Pakistan Limited
NRSP Microfinance Bank Limited
HBL Microfinance Bank Limited
Mobilink Microfinance Bank Limited
The Bank of Khyber

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Saad Amanullah Khan
Director



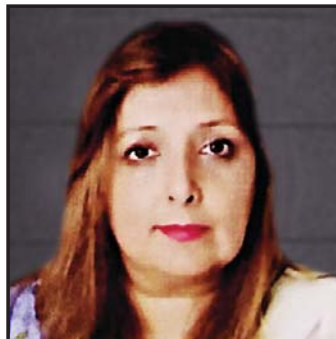
Mr. Tauqeer Mazhar
Director



Mr. Ali Saigol
Director



Mr. Ruhail Muhammad
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Business
Development Officer



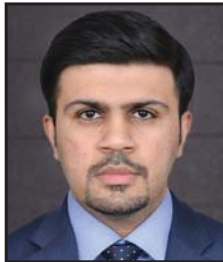
Mr. Muhammad Imran, CFA, ACCA
Head of Portfolio Management



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Salman Ahmed, CFA
Head of Fixed Income



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



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Mr. Waheed Abidi
Head of Internal Audit



Mr. Hassan Raza, CFA
Head of Research



Mr. Mustafa Farooq
Head of Compliance

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the 18th Annual Report of **NBP Income Opportunity Fund (NIOF)** for the year ended June 30, 2023.

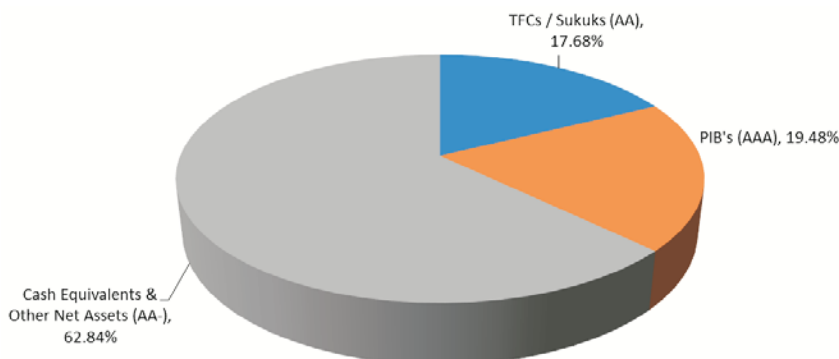
Fund's Performance

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

NIOF is categorized as an Income Scheme and has been awarded stability rating of 'A+ (f)' by PACRA. The trading activity in corporate bonds remained slow, with the cumulative traded value standing at Rs. 7.9 billion (a 23% decrease from last year). However, the market witnessed some fresh issuance of TFCs and Sukuks, mostly in the Power & Distribution and Banking sectors.

The size of NBP Income Opportunity Fund has decreased from Rs. 7,375 million to Rs. 4,995 million during the period (a decline of 32%). During the period, the unit price of the Fund has increased from Rs. 9.3560 (Ex-Div) on June 30, 2022 to Rs. 10.8454 on June 30, 2023, thus showing a return of 15.92% as compared to the benchmark return of 18.34% for the same period. The performance of the Fund is net of management fee and all other expenses.

NBP Income Opportunity Fund has earned total income of Rs. 1054.70 million during the year. After deducting total expenses of Rs. 173.59 million, the net income is Rs. 881.11 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIOF.



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 15.38% of the opening ex-NAV (16.61% of the par value) during the year ended June 30, 2023.

Taxation

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

Auditors

The present auditors, Messrs A.F. Ferguson & Co., Chartered Accountants, retired and, being eligible, offer themselves for re-appointment for the year ending June 30, 2024.

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

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the year. The attendance of all directors is disclosed in the note 29 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 26 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. For the year ended June 30, 2023, the Board included:

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

Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: **September 15, 2023**

Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP اےکم پر چوٹی فنڈ (NIOF) بصد مسرت 30 جون 2023 کو ختم ہونے والے سال کے لئے اٹھارویں سالانہ رپورٹ پیش کرتے ہیں۔

فنڈ کی کارکردگی

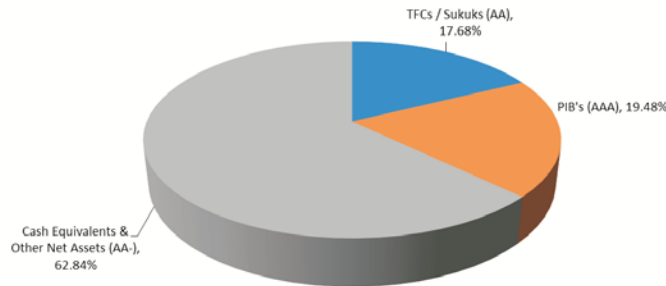
مالی سال 23 کے دوران، اسٹیٹ بینک کی مانیٹری پالیسی کمیٹی (MPC) نے 19 اجلاس منعقد ہوئے اور ملکی غیر یقینی صورتحال اور بیرونی اکاؤنٹ پر مسلسل دباؤ کی وجہ سے افراط زر کے دباؤ کو روکنے، قیمتوں میں استحکام حاصل کرنے، اقتصادی استحکام کو یقینی بنانے، اور کرنسی کے دباؤ کو کم کرنے کے لیے پالیسی شرح کو 825 بیس 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 مروجہ ملکی غیر یقینی صورتحال اور بیرونی خطرات سے مشروط ہے، جو درمیانی اور قلیل مدتی نمونو کو مزید بڑھا رہا ہے۔ مزید برآں، کم نئے افلو ز اور کم زور 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 کسٹولڈیشن کے لیے چیلنجز اور خطرات کا باعث بنے ہیں۔ گورنمنٹ بونڈز منافعوں نے بھی ان پالیسی اقدامات اور بڑھتی ہوئی افراط زر اور شرح سود کے نقطہ نظر کا جواب دیا۔ سیاسی اور معاشی غیر یقینی صورتحال کی وجہ سے مارکیٹ کے شرکاء کی دلچسپی کا جھکاؤ مختصر مدت کی طرف رہا۔ SBP نے سٹائیس (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۔

NIOF کی اےکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A+(f)' کی مستحکم ریٹنگ دی گئی ہے۔ کارپوریٹ بانڈز میں تجارتی سرگرمی سست رہی، جس کی مجموعی تجارت کی قیمت 7.9 بلین روپے (گزشتہ سال کے مقابلے میں 23 فیصد کمی) رہی۔ تاہم، مارکیٹ میں TFCs اور سکوک کے کچھ زیادہ ترپا اور اینڈ ڈسٹری بیوشن اور بینکنگ کے شعبوں میں تازہ اجراء کا مشاہدہ کیا گیا۔

موجودہ مدت کے دوران NBP اےکم پر چوٹی فنڈ کا سائز 7,375 ملین روپے سے کم ہو کر 4,995 ملین روپے ہو گیا ہے یعنی 32% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2022 کو (EX-Div) 9.3560 روپے سے بڑھ کر 30 جون 2023 کو 10.8454 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک 18.34% کے مقابلے میں 15.92% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP اےکم پر چوٹی فنڈ نے موجودہ مدت کے دوران 1054.70 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 173.59 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 881.11 ملین روپے ہے۔

درج ذیل چارٹ NIOF کی ہر ایک ذیلی ایسٹ کلاسوں کی ایسٹ ایلویشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2023 کے اختتام کے بعد اوپننگ ex-NAV کا 15.38% (بنیادی قدر کا 16.61%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

تعمیر

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 گیمن اور جمع شدہ نقصانات منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر اےکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شرح 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2024 کو ختم ہونے والے سال کے 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 مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کمپنی فلواور پونٹ 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۔ شماراتی 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 ہی نہیں کی گئی۔
- 8 پرفارمنس ٹیبیل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 29 میں ظاہر کی گئی ہے۔
- 11 پونٹ ہولڈنگ کا تفصیلی پینن مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے پیئس 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 فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ زیر جائزہ مدت 30 جون 2023 کے دوران بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل رہا۔

نام	کیٹگری
•1 جناب خالد منصور •2 جناب سعد امان اللہ خان •3 جناب روہیل محمد •4 جناب ہمایوں بشیر	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
•1 شیخ محمد عبدالواحد سیٹھی (چیئرمین) •2 جناب توقیر مظہر •3 محترمہ مہناز سالار •4 جناب علی سیگل •5 جناب عمران ظفر	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 شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 15 ستمبر 2023ء

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Income Opportunity 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 Opportunity Fund

NBP Income Opportunity Fund (NIOF) is an Open-End Income Scheme.

Investment Objective of the Fund

The objective of NIOF is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in money market & debt securities having good credit rating and liquidity.

Benchmark

6 Month - KIBOR.

Fund Performance Review

This is the 18th Annual report since the launch of the Fund on April 21, 2006. The Fund size decreased by 32% and stands at Rs. 4.9 billion as of June 30, 2023. The Fund's return since its inception is 8.9% p.a. versus the benchmark return of 10.6% p.a. During FY23, the Fund posted a return of 15.9% as compared to the benchmark return of 18.3%. The return of the Fund is net of management fee and all other expenses.

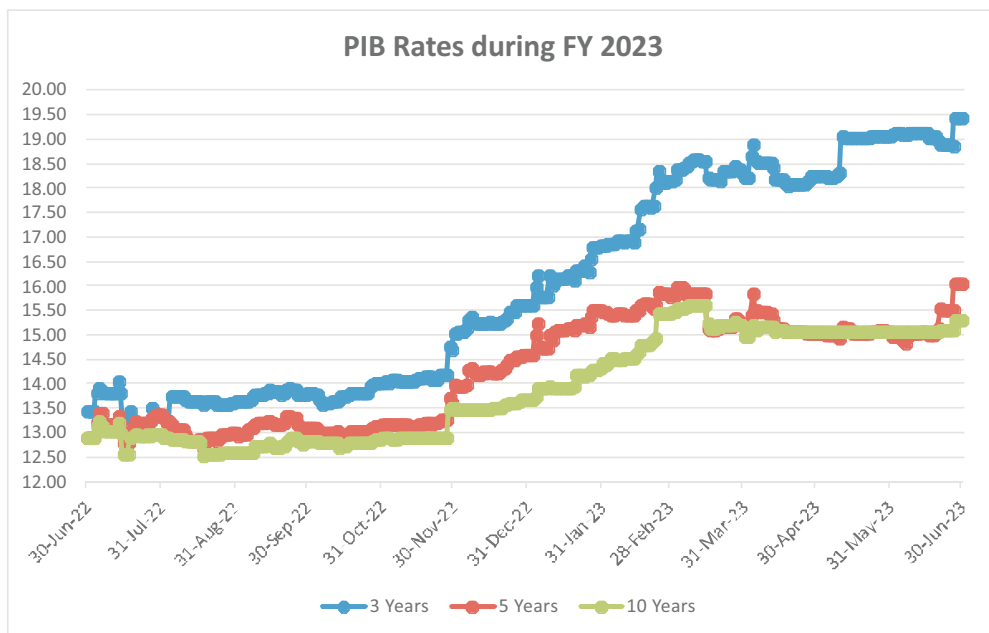
The Yield to Maturity of the Fund at year-end FY23 is around 19.4% while that of the TFC portfolio is 24.0%. The yield does not include potential recovery in fully provided TFCs (Face Value of around Rs 1,029 million), which is a potential upside for the Fund. The Fund's TFC portfolio allocation is fairly diversified with exposure to Banking, Financial Service, Textile Composite, Sugar & Allied Industries and Power Generation & Distribution sectors.

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 twelve (12) PIB auctions and realized Rs. 1.3 trillion, where the yields from June 2022 levels were increased by 6.02%, 3.15% and 2.40% for 3 years, 5 years and 10 years, respectively.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-23	30-Jun-22
TFCs/Sukuks	17.68%	14.51%
PIB	19.48%	-
Commercial Paper	-	7.94%
Cash (Cash Equivalents) & Other Assets	62.84%	77.55%
Total	100.00%	100.00%

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



Distribution for the Financial Year 2023

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Interim	16.61%	12.4560	10.7953

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investment before Provision	Provision held	Value of Investment after Provision	% Net Assets	% Gross Assets
AgriTech Limited-I	TFC	148,552,788	148,552,788	-	-	-
AgriTech Limited-V	TFC	32,320,000	32,320,000	-	-	-
ANL-7	TFC	80,475,000	80,475,000	-	-	-
ANL-ZERO COUPON	Zero Coupon TFC	195,465,000	195,465,000	-	-	-
Dewan Cement Limited	Pre-IPO TFC	150,000,000	150,000,000	-	-	-
New Allied Electronics Limited	TFC	31,706,536	31,706,536	-	-	-
PACE Pakistan Limited	TFC	149,820,000	149,820,000	-	-	-
Saudi Pak Leasing Company Limited	TFC	41,321,115	41,321,115	-	-	-
Silk Bank Limited	TFC	99,920,000	69,121,758	30,798,242	0.6%	0.5%
Worldcall	TFC	69,157,224	69,157,224	-	-	-
Eden House Limited	Sukuk	9,056,250	9,056,250	-	-	-
New Allied Electronics Limited-II	Sukuk	44,148,934	44,148,934	-	-	-
SHAKARGANJ FOODS (Rev)	Sukuk	35,000,000	8,120,000	26,880,000	0.5%	0.5%
Azgard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	-	-	-
Total		1,086,955,701	1,029,277,459	57,678,242	1.2%	1.0%

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

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	534
1-1000	1825
1001-5000	405
5001-10000	156
10001-50000	452
50001-100000	225
100001-500000	317
500001-1000000	40
1000001-5000000	28
5000001-10000000	5
10000001-100000000	4
100000001 & above	1
Total	3992

During the period under question:

There has been no significant change in the state of affairs of the Fund, other than stated above. NBP Income Opportunity Fund does not have any soft commission arrangement with any broker in the industry

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Income Opportunity Fund

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Net Asset Value (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. 3,112.909 million and Rs. 1,856.437 million respectively.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of the key controls for valuation of investments; • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2023 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other 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: AR202310061ax6PSy7ol

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

	2023	2022
Note	-----Rupees in '000-----	
ASSETS		
Bank balances	4 3,112,909	6,289,721
Investments	5 1,856,437	1,655,898
Profit receivable	6 106,183	95,615
Receivable against issuance of units	31,006	1,298
Deposits, prepayments and other receivables	7 12,786	12,754
Total assets	5,119,321	8,055,286
LIABILITIES		
Payable to NBP Fund Management Limited - the Management Company	8 57,380	65,806
Payable to the Central Depository Company of Pakistan Limited - the Trustee	9 363	556
Payable to the Securities and Exchange Commission of Pakistan	10 1,210	1,980
Payable against redemption of units	1,652	537,441
Accrued expenses and other liabilities	11 63,588	74,960
Total liabilities	124,193	680,743
NET ASSETS	4,995,128	7,374,543
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	4,995,128	7,374,543
CONTINGENCIES AND COMMITMENTS	12	
	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	13 460,576,216	683,124,305
	----- Rupees -----	
NET ASSET VALUE PER UNIT	15 10.8454	10.7953

The annexed notes from 1 to 32 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	-----Rupees in '000-----	
INCOME		
Profit on bank balances	452,791	614,883
Income on certificates of investments	-	3,090
Income on term finance certificates and sukuk certificates	181,252	149,289
Income on government securities	363,575	129,590
Income on commercial papers	14,475	50,997
Income on letters of placement	44,759	28,578
Income from margin trading system	5,696	4,059
Income on spread transactions	-	27,591
Dividend income	-	9,355
Other income	1,307	5,820
	5.4.1	
Gain on sale of investments	2,299	4,787
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' - net	5.10 (11,449)	28,511
	(9,150)	33,298
Total income	1,054,705	1,056,550
EXPENSES		
Remuneration of NBP Fund Management Limited - the Management Company	8.1 53,804	60,299
Sindh sales tax on remuneration of the Management Company	8.2 6,995	7,839
Reimbursement of allocated expenses	8.3 7,954	12,374
Reimbursement of selling and marketing expenses	8.4 42,342	69,292
Remuneration of the Central Depository Company of Pakistan Limited - the Trustee	9.1 4,537	7,424
Sindh sales tax on remuneration of the Trustee	9.2 590	965
Annual fee to the Securities and Exchange Commission of Pakistan	10.1 1,210	1,980
Provision against non-performing term finance certificates	52,120	27,149
Securities transaction cost	204	4,823
Settlement and bank charges	1,754	1,742
Auditors' remuneration	14 944	820
Legal and professional charges	252	665
Printing charges	227	161
Annual rating fee	631	576
Annual listing fee	28	28
Total expenses	173,592	196,137
Net income from operating activities	881,113	860,413
Reversal of Sindh Workers' Welfare Fund	-	52,133
Net income for the year before taxation	881,113	912,546
Taxation	16 -	-
Net income for the year after taxation	881,113	912,546
Earnings per unit	17	
Allocation of net income for the year		
Net income for the year after taxation	881,113	912,546
Income already paid on units redeemed	(208,789)	(355,942)
	672,324	556,604
Accounting income available for distribution:		
- Relating to capital gains	-	33,298
- Excluding capital gains	672,324	523,306
	672,324	556,604

The annexed notes from 1 to 32 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	2023	2022
	-----Rupees in '000-----	
Net income for the year after taxation	881,113	912,546
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>881,113</u></u>	<u><u>912,546</u></u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000					
Net assets at the beginning of the year	6,844,143	530,400	7,374,543	7,441,129	512,491	7,953,620
Issue 261,702,679 units (2022: 1,209,586,463 units)						
- Capital value (at ex-net asset value per unit)	2,825,159	-	2,825,159	13,023,738	-	13,023,738
- Element of income	157,709	-	157,709	343,703	-	343,703
Total proceeds on issuance of units	2,982,868	-	2,982,868	13,367,441	-	13,367,441
Redemption of 484,250,768 units (2022: 1,265,161,003 units)						
- Capital value (at ex-net asset value per unit)	(5,227,632)	-	(5,227,632)	(13,622,115)	-	(13,622,115)
- Element of loss	(123,778)	(208,789)	(332,567)	(242,574)	(355,942)	(598,516)
Total payments on redemption of units	(5,351,410)	(208,789)	(5,560,199)	(13,864,689)	(355,942)	(14,220,631)
Total comprehensive income for the year	-	881,113	881,113	-	912,546	912,546
Distribution for the year ended June 30, 2023 @ Rs. 1.6607 per unit declared on June 23, 2023	(33,406)	(649,791)	(683,197)	-	-	-
Distribution for the year ended June 30, 2022 @ Rs. 1.0340 per unit declared on June 24, 2022	-	-	-	(99,738)	(538,695)	(638,433)
Total distribution during the year	(33,406)	(649,791)	(683,197)	(99,738)	(538,695)	(638,433)
Net assets at the end of the year	4,442,195	552,933	4,995,128	6,844,143	530,400	7,374,543
Undistributed income brought forward						
- Realised income		501,889			481,867	
- Unrealised income		28,511			30,624	
		530,400			512,491	
Accounting income available for distribution						
- Relating to capital gains		-			33,298	
- Excluding capital gains		672,324			523,306	
		672,324			556,604	
Total distribution during the year		(649,791)			(538,695)	
Undistributed income carried forward		552,933			530,400	
Undistributed income carried forward						
- Realised income		564,382			501,889	
- Unrealised (loss) / income		(11,449)			28,511	
		552,933			530,400	
				(Rupees)		(Rupees)
Net assets value per unit at the beginning of the year				10.7953		10.7671
Net assets value per unit at the end of the year				10.8454		10.7953

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	881,113	912,546
Adjustments:		
Profit on bank balances	(452,791)	(614,883)
Income on certificates of investments	-	(3,090)
Income on term finance certificates and sukuk certificates	(181,252)	(149,289)
Income on government securities	(363,575)	(129,590)
Income on commercial papers	(14,475)	(50,997)
Income on letters of placement	(44,759)	(28,578)
Income from margin trading system	(5,696)	(4,059)
Income on spread transactions	-	(27,591)
Dividend income	-	(9,355)
Other income	(1,307)	(5,820)
Unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss' - net	11,449	(28,511)
Reversal of Sindh Workers' Welfare Fund	-	(52,133)
	<u>(1,052,406)</u>	<u>(1,103,896)</u>
	(171,293)	(191,350)
Decrease / (increase) in assets		
Investments - net	(210,681)	1,170,887
Receivable against margin trading system	-	169,506
Deposits, prepayments and other receivables	(32)	1,247
	(210,713)	1,341,640
(Decrease) / increase in liabilities		
Payable to NBP Fund Management Limited - the Management Company	(8,426)	(5,711)
Payable to the Central Depository Company of Pakistan Limited - the Trustee	(193)	(76)
Payable to the Securities and Exchange Commission of Pakistan	(770)	580
Accrued expenses and other liabilities	(11,372)	21,447
	(20,761)	16,240
Income received on bank balances, certificates of investment, term finance certificates, letters of placement, commercial papers, sukuk certificates, government securities, margin trading system and spread transactions	1,051,980	961,261
Dividend received	-	9,355
Net cash generated from operating activities	<u>649,213</u>	<u>2,137,146</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units - net of refund of element	2,919,754	13,315,677
Net payments against redemption of units	(6,095,988)	(13,702,560)
Distributions paid	(649,791)	(538,695)
Net cash used in financing activities	<u>(3,826,025)</u>	<u>(925,578)</u>
Net (decrease) / increase in cash and cash equivalents during the year	<u>(3,176,812)</u>	<u>1,211,568</u>
Cash and cash equivalents at the beginning of the year	6,289,721	5,078,153
Cash and cash equivalents at the end of the year	<u>4</u> <u>3,112,909</u>	<u>6,289,721</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 NBP Income Opportunity 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 the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 30, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on November 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund has been categorised as an open ended 'Income Scheme' 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 February 11, 2006 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing in money market and debt securities having good credit rating and liquidity. Other avenues of investments include ready future arbitrage in listed securities and transactions under margin trading system.

1.5 The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on June 22, 2023 (2022: AM1 on June 22, 2022). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has upgraded the stability rating of the Fund at "A+(f)" dated April 14, 2023 (2022: "A(f)" on April 19, 2022).

1.6 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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 the published accounting and reporting standards that are not yet effective:

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

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

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention except that investments 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 Rupee, 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 savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

Debt instruments

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

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

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVTPL. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement".

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

3.2.3 Subsequent measurement

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

Financial assets 'at fair value through profit or loss'

Basis of valuation of Government securities

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

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also

specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

3.2.4 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) 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 Impairment loss on debt securities

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

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

3.2.6 Regular way contracts

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

3.2.7 Derecognition

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the income statement.

3.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. 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, determined by the Management Company for the application 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 for which the Management Company / distributors receive redemption application 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 portion of income already paid on units redeemed during the year.

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

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets 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.

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the year in which these arise.
- Profit on bank balances, term deposit receipts, letters of placement, commercial papers and margin trading system are recognised on an accrual basis.

- Income on sukuk certificates, term finance certificates and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.

3.11 Expenses

All expenses chargeable to the Fund 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.

3.12 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.

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earnings per unit is not practicable as disclosed in note 17.

3.14 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.

	Note	2023 -----Rupees in '000-----	2022
4 BANK BALANCES			
Current accounts	4.1	70	70
Savings accounts	4.2	3,112,839	6,289,651
		3,112,909	6,289,721

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

4.2 These include balances of Rs 2.152 million (2022: Rs. 2.190 million) and Rs 0.008 million (2022: Rs 0.007 million) maintained with National Bank of Pakistan and Telenor Microfinance Bank Limited (related parties) respectively, that carry profit at the rate of 19.50% (2022: 12.25%) and 19.50% (2022: 16.50%) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 19.50% to 22.60% (2022: 13.00% to 17.25%) per annum.

5	INVESTMENTS	Note	2023	2022
			-----Rupees in '000-----	
	At fair value through profit or loss			
	Equity securities	5.1	-	-
	Government securities - Market Treasury Bills	5.2	-	-
	Government securities - Pakistan Investment Bonds	5.3	973,100	-
	Term finance certificates - non-performing securities	5.4	30,798	72,771
	Term finance certificates	5.5	205,126	284,805
	Corporate sukuk certificates	5.6	620,533	712,797
	Corporate sukuk certificates - non-performing securities	5.7	26,880	-
	Commercial papers	5.8	-	585,525
	Letters of placement	5.9	-	-
			1,856,437	1,655,898

5.1 Equity securities

All shares have a nominal face value of Rs. 10 each.

Investee company	As at July 01, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Market value as at June 30, 2023	Percentage in relation to		
							net assets of the Fund	total market value of investments	paid-up capital of the investee company
						Number of shares	Rupees in '000	----- % -----	
PERSONAL GOODS									
Azgard Nine Limited - Non-voting*	308	-	-	-	308	-	-	-	-
Total as at June 30, 2023						-	-	-	-
Carrying value as at June 30, 2023						-	-	-	-
Market value as at June 30, 2022						-	-	-	-
Carrying value as at June 30, 2022						-	-	-	-

* These shares are fully provided due to non-tradability.

5.2 Government securities - Market Treasury Bills

Issue date	Maturity date	Tenor in months	Yield	Face value				Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (dminution)	Percentage in relation to	
				As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023				net assets of the Fund	total market value of investments
										----- % -----		
October 20, 2022	January 12, 2023	3	16.11%	-	2,250,000	2,250,000	-	-	-	-	-	
November 3, 2022	January 26, 2023	3	15.70%	-	500,000	500,000	-	-	-	-	-	
June 2, 2022	August 25, 2022	3	13.38%	-	1,000,000	1,000,000	-	-	-	-	-	
March 10, 2022	September 8, 2022	6	15.20%	-	1,256,600	1,256,600	-	-	-	-	-	
June 16, 2022	September 8, 2022	3	15.15%	-	1,900,000	1,900,000	-	-	-	-	-	
June 30, 2022	September 22, 2022	3	15.15%	-	1,900,000	1,900,000	-	-	-	-	-	
June 30, 2022	September 22, 2022	3	14.09%	-	1,256,000	1,256,000	-	-	-	-	-	
July 14, 2022	October 6, 2022	3	15.14%	-	2,756,000	2,756,000	-	-	-	-	-	
July 14, 2022	October 6, 2022	3	15.14%	-	400,000	400,000	-	-	-	-	-	
August 11, 2022	November 3, 2022	3	15.25%	-	2,750,000	2,750,000	-	-	-	-	-	

Issue date	Maturity date	Tenor in months	Yield	Face value				Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (dminution)	Percentage in relation to	
				As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023				net assets of the Fund	total market value of investments
----- Rupees in '000 -----											----- % -----	
August 11, 2022	November 3, 2022	3	15.35%	-	200,000	200,000	-	-	-	-	-	-
July 28, 2022	October 20, 2022	3	14.09%	-	2,000,000	2,000,000	-	-	-	-	-	-
July 28, 2022	October 20, 2022	3	15.19%	-	750,000	750,000	-	-	-	-	-	-
October 6, 2022	December 29, 2022	3	15.48%	-	200,000	200,000	-	-	-	-	-	-
September 22, 2022	December 15, 2022	3	14.72%	-	500,000	500,000	-	-	-	-	-	-
September 22, 2022	December 15, 2022	3	15.42%	-	1,750,000	1,750,000	-	-	-	-	-	-
January 4, 2023	March 29, 2023	3	17.01%	-	200,000	200,000	-	-	-	-	-	-
November 17, 2022	February 9, 2023	3	15.92%	-	610,000	610,000	-	-	-	-	-	-
January 26, 2023	April 20, 2023	3	17.79%	-	1,300,000	1,300,000	-	-	-	-	-	-
April 6, 2023	June 22, 2023	3	21.85%	-	1,200,000	1,200,000	-	-	-	-	-	-
Total as at June 30, 2023								-	-	-	-	-
Total as at June 30, 2022								-	-	-	-	-

5.3 Government securities - Pakistan Investment Bonds

Issue date	Maturity date	Tenor in years	Yield	Face value				Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (dminution)	Investment as a percentage of	
				As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023				net assets of the Fund	total market value of investments
----- Rupees in '000 -----											----- % -----	
November 17, 2022	November 17, 2027	5	23.51%	-	500,000	-	500,000	480,389	474,300	(6,089)	9.50%	25.55%
August 26, 2021	August 26, 2023	2	22.64%	-	2,000,000	1,500,000	500,000	499,491	498,800	(691)	9.99%	26.87%
December 30, 2021	December 30, 2023	2	22.95%	-	500,000	500,000	-	-	-	-	-	-
April 6, 2023	April 6, 2025	2	22.98%	-	500,000	500,000	-	-	-	-	-	-
Total as at June 30, 2023								979,880	973,100	(6,780)	19.49%	52.42%
Total as at June 30, 2022								-	-	-	-	-

5.4 Term finance certificates - non-performing securities

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold / redeemed during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (dminution)	Percentage in relation to	
					----- Number of certificates -----			----- Rupees in '000 -----				net assets of the Fund	total market value of investments
----- % -----													
CEMENT													
Dewan Cement Limited TFC (Face value of Rs. 5,000 per certificate)	Unrated	-	January 17, 2030	6 months KIBOR plus base rate of 2.00%	30,000	-	-	30,000	-	-	-	-	-
CHEMICAL													
AgriTech Limited TFC V (Face value of Rs. 5,000 per certificate)	Unrated	-	January 1, 2025	11.00% fixed rate	6,464	-	-	6,464	-	-	-	-	-
AgriTech Limited TFC I (Face value of Rs. 4,952 per certificate)	Unrated	-	November 29, 2025	6 months KIBOR plus base rate of 1.75%	30,000	-	-	30,000	-	-	-	-	-
COMMERCIAL BANKS													
Silk Bank Limited - TFC I (Face value of Rs. 4,995.5 per certificate)	BBB+, VIS	Semi-annually	August 10, 2025	6 months KIBOR plus base rate of 1.85%	20,000	-	-	20,000	30,798	30,798	-	0.62%	1.66%

NBP INCOME OPPORTUNITY FUND

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold / redeemed during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Percentage in relation to	
					Number of certificates			Rupees in '000			net assets of the Fund	total market value of investments	
LEASING COMPANIES													
Saudi Pak Leasing Company Limited - TFC II (Face value of Rs. 2,755 per certificate)	Unrated	-	March 13, 2025	6.87%	15,000	-	-	15,000	-	-	-	-	-
TECHNOLOGY & COMMUNICATION													
Worldcall Telecom Limited - TFC III (Face value of Rs. 1,666 per certificate)	Unrated	Quarterly	September 20, 2026	6 months KIBOR plus base rate of 1.60%	45,000	-	-	45,000	-	-	-	-	-
TEXTILE COMPOSITE													
Azgard Nine Limited VII (PPTFC) (Face value of Rs. 5,000 per certificate)	Unrated	-	April 29, 2031	5.00%	16,095	-	-	16,095	-	-	-	-	-
Azgard Nine Limited - Zero Coupon (Face value of Rs. 5,000 per certificate)	Unrated	-	April 29, 2031	Zero - coupon bond	39,093	-	-	39,093	-	-	-	-	-
MISCELLANEOUS													
PACE Pakistan Limited TFC Revised (Face value of Rs. 4,994 per certificate)	Unrated	-	February 15, 2025	6 months KIBOR plus base rate of 2.00%	30,000	-	-	30,000	-	-	-	-	-
New Allied Electronic Industries (Private) Limited TFC (Face value of Rs. 2,114 per certificate)	Unrated	-	November 15, 2025	3 months KIBOR plus base rate of 3.00%	15,000	-	-	15,000	-	-	-	-	-
Total as at June 30, 2023									30,798	30,798	-	0.62%	1.66%
Total as at June 30, 2022									72,771	72,771	-	0.01%	0.04%

5.4.1 The investee companies had defaulted on their obligation on account of principal and profit payments and accordingly the certificates had been classified as non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 969.247 (2022: Rs. 927.273) million against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

During the year, the Fund has received Rs 1.307 million (2022: Rs 5.820 million) against recovery of provided term finance certificate of Agritech Limited (Worldcall).

5.5 Term finance certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold / redeemed during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Percentage in relation to	
					Number of certificates			Rupees in '000			net assets of the Fund	total market value of investments	
COMMERCIAL BANKS													
JS Bank Limited - TFC II (Face value of Rs. 99,780 per certificate)	A+, PACRA	Semi-annually	December 29, 2024	6 months KIBOR plus base rate of 1.40%	500	-	-	500	50,140	49,898	(241)	1.00%	2.68%
The Bank of Punjab - TFC II (Face value of Rs. 99,800 per certificate)	AA, PACRA	Semi-annually	April 23, 2028	6 months KIBOR plus base rate of 1.25%	900	-	-	900	90,001	90,696	695	1.82%	4.89%
Al Baraka Bank (Pakistan) Limited (Face value of Rs. 1,000,000 per certificate)	A, PACRA	Semi-annually	December 22, 2031	6 months KIBOR plus base rate of 1.50%	25	-	-	25	25,000	24,750	(250)	0.50%	1.33%
INVESTMENT COMPANIES													
Jahangir Siddiqui and Company Limited - TFC (5th issue) (Face value of Rs. 625 per certificate)	AA+, PACRA	Semi-annually	July 18, 2023	6 months KIBOR plus base rate of 1.40%	23,340	-	-	23,340	15,862	14,612	(1,250)	0.29%	0.79%
Jahangir Siddiqui and Company Limited - TFC (6th Issue) (Face value of Rs. 833 per certificate)	AA+, PACRA	Semi-annually	September 6, 2023	6 months KIBOR plus base rate of 1.40%	30,000	-	-	30,000	27,488	25,170	(2,318)	0.50%	1.36%
Total as at June 30, 2023									208,491	205,126	(3,365)	4.11%	11.05%
Total as at June 30, 2022									263,519	284,805	21,286	3.86%	17.20%

5.6 Corporate sukuk certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold / redeemed during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Percentage in relation to	
					Number of certificates			Rupees in '000			net assets of the Fund	total market value of investments	
CEMENT													
Javedan Corporation Limited Sukuk I (Face value of Rs. 100,000 per certificate)	AA-, VIS	Semi-annually	October 4, 2026	6 months KIBOR plus base rate of 1.75%	400	-	250	150	8,654	8,576	(78)	0.17%	0.46%
POWER GENERATION & DISTRIBUTION													
K-Electric Limited - Sukuk - V (Face value of Rs. 5,000 per certificate)	AA+, VIS	Quarterly	August 3, 2027	3 months KIBOR plus base rate of 1.70%	71,000	-	-	71,000	309,276	307,281	(1,995)	6.15%	16.55%
The Hub Power Company Limited Sukuk (3rd Issue) (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Quarterly	August 22, 2023	3 months KIBOR plus base rate of 1.90%	1,000	-	-	1,000	28,908	25,074	(3,834)	0.50%	1.35%
MISCELLANEOUS													
Hub Power Holding Limited Sukuk (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Semi-annually	November 12, 2025	6 months KIBOR plus base rate of 2.50%	2,000	-	250	1,750	175,000	179,602	4,602	3.60%	9.67%
NON-BANKING FINANCIAL INSTITUTES													
Abhi (Pvt.) Limited STS - 1* (Face value of Rs. 100,000 per certificate)	A- PACRA	Semi-annually	November 10, 2023	6 months KIBOR plus base rate of 2.50%	-	100	-	100	100,000	100,000	-	2.00%	5.39%
POWER GENERATION & DISTRIBUTION													
Lucky Electric Power Company STS - 6 (Face value of Rs. 1,000,000 per certificate)	AA, VIS	Semi-annually	April 13, 2023	6 months KIBOR plus base rate of 1.50%	-	394	394	-	-	-	-	-	-
K-Electric Limited STS - 10 (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Semi-annually	April 5, 2023	6 months KIBOR plus base rate of 1.45%	-	800	800	-	-	-	-	-	-
Total as at June 30, 2023									621,837	620,533	(1,304)	12.42%	33.42%
Total as at June 30, 2022									705,572	712,797	7,225	9.66%	43.05%

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit ratings.

5.7 Corporate sukuk certificates - non-performing securities

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold / redeemed during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Percentage in relation to	
					Number of certificates			Rupees in '000			net assets of the Fund	total market value of investments	
MISCELLANEOUS													
Eden Housing Limited Sukuk (2nd Issue) (Face value of Rs. 984 per certificate)	D, VIS	-	September 29, 2025	6 months KIBOR plus base rate of 2.50%	9,200	-	-	9,200	-	-	-	-	-
New Allied Electronic Industries (Private) Limited - Sukuk II (Face value of Rs. 4,905 per certificate)	D, VIS	-	December 3, 2025	6 months KIBOR plus base rate of 2.20%	9,000	-	-	9,000	-	-	-	-	-
Shakarganj Food Products Limited Sukuk I (Face value of Rs. 850,000 per certificate) (see note 5.7.2)	BBB+, VIS	Quarterly	July 10, 2024	3 months KIBOR plus base rate of 1.75%	70	-	-	70	26,880	26,880	-	0.54%	1.45%
Total as at June 30, 2023									26,880	26,880	-	0.54%	1.45%
Total as at June 30, 2022									-	-	-	-	-

5.7.1 The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly have been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 61.325 million (2022: Rs 53.218 million) against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.7.2 During the year, Shakarganj Food Products Limited - Sukuk was declared non-performing, as per Circular no. 1 of 2009 and Circular no. 33 of 2012, due to failure of profit and principal payment which was due on April 10, 2023.

5.8 Commercial papers

Name of security	Rating	Face value				Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Market value as a percentage of	
		As at July 1, 2022	Purchased during the year	Disposed off / matured during the year	As at June 30, 2023			net assets of the Fund	total investments
Rupees in '000						%			
POWER GENERATION & DISTRIBUTION									
Waves Singer Pakistan Limited	A-2, VIS	100,000	-	100,000	-	-	-	-	-
Lucky Electric Power Company Limited	AA-, PACRA	250,000	-	250,000	-	-	-	-	-
Lucky Electric Power Company Limited	AA-, PACRA	250,000	-	250,000	-	-	-	-	-
Total as at June 30, 2023						-	-	-	-
Total as at June 30, 2022						585,525	-	35.36%	7.94%

5.8.1 These carry yield ranging from Nil (2022: 9.58% to 12.97%) per annum.

5.9 Letters of placement

Name of the investee company	Rating	Maturity date	Profit rate	Amount placed		As at June 30, 2023	Market value as a percentage of			
				Purchased during the year	Matured during the year		Carrying value	Market value	net assets of the Fund	total market value of investments
(Rupees in '000) (%)										
DEVELOPMENT FINANCE INSTITUTION										
Pak Oman Investment Company Limited	AA+, VIS	August 25, 2022	14.75%	650,000	650,000	-	-	-	-	-
PAIR Investment Company Limited	AA, PACRA	August 5, 2022	15.05%	700,000	700,000	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	September 2, 2022	15.10%	500,000	500,000	-	-	-	-	-
Pak Libya Holding Company Private Limited	AA-, VIS	September 6, 2022	15.10%	500,000	500,000	-	-	-	-	-
Pak Libya Holding Company Private Limited	AA-, VIS	September 12, 2022	15.15%	500,207	500,207	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	September 16, 2022	15.10%	500,000	500,000	-	-	-	-	-
Pak Libya Holding Company Private Limited	AA-, VIS	December 16, 2022	16.00%	200,000	200,000	-	-	-	-	-
Pak Libya Holding Company Private Limited	AA-, VIS	February 16, 2023	16.75%	200,000	200,000	-	-	-	-	-
Pak Libya Holding Company Private Limited	AA-, VIS	January 27, 2023	16.75%	250,000	250,000	-	-	-	-	-
Pak Libya Holding Company Private Limited	AA-, VIS	March 9, 2023	17.50%	456,539	456,539	-	-	-	-	-
Pak Libya Holding Company Private Limited	AA-, VIS	March 30, 2023	20.25%	456,539	456,539	-	-	-	-	-
COMMERCIAL BANK										
Askari Bank Limited	AA+, PACRA	July 22, 2022	14.10%	700,000	700,000	-	-	-	-	-
Askari Bank Limited	AA+, PACRA	July 29, 2022	14.25%	700,000	700,000	-	-	-	-	-
Total as at June 30, 2023						-	-	-	-	-
Total as at June 30, 2022						-	-	-	-	-

5.10	Unrealised (diminution) / appreciation on re-measurement of investments' at fair value through profit or loss' - net	Note	2023		2022	
			-----Rupees in '000-----			
	Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8 & 5.9	1,856,437		1,655,898	
	Less: carrying value of investments		(1,867,886)		(1,627,387)	
			<u>(11,449)</u>		<u>28,511</u>	
6	PROFIT RECEIVABLE					
	Profit receivable on:					
	- Bank balances		48,497		71,625	
	- Term finance certificates and sukuk certificates		29,217		23,990	
	- Pakistan investment bonds		28,469		-	
			<u>106,183</u>		<u>95,615</u>	

7	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2023	2022
			-----Rupees in '000-----	
	Prepaid annual rating fee		333	301
	Security deposit with the Central Depository Company of Pakistan Limited *		100	100
	Security deposit with the National Clearing Company of Pakistan		2,750	2,750
	Advance tax	7.1	9,603	9,603
			<u>12,786</u>	<u>12,754</u>

* related party balance

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on bank balances and debt securities paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholders. The tax withheld on profit on bank balances and debt securities amounting to Rs. 9.603 million (2022: Rs. 9.603 million).

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

8	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY	Note	2023	2022
			-----Rupees in '000-----	
	Remuneration of the Management Company	8.1	4,281	5,726
	Sindh sales tax on remuneration of the Management Company	8.2	557	744
	Reimbursement of allocated expenses payable	8.3	1,996	2,644
	Reimbursement of selling and marketing expenses payable	8.4	9,313	14,809
	Sales and transfer load payable		205	611
	Sindh sales tax on sales and transfer load		26	141
	Federal excise duty on remuneration of the Management Company and sales load	8.5	40,695	40,695
	ADC charges payable including Sindh sales tax		307	436
			<u>57,380</u>	<u>65,806</u>

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 6% (2022: 6%) of net income, subject to floor and capping of 0.5% (2022: 0.5%) and 1% (2022: 1%) per annum respectively of the average net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs. 6.995 million (2022: Rs. 7.839 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).

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

Accordingly, the Management Company based on its discretion has charged allocated expenses as per the following rates:

Rate applicable from March 16, 2023 to June 30, 2023	Rate applicable from July 1, 2022 to March 15, 2023	Rate applicable from July 1, 2021 to June 30, 2022
0.15% of average annual net assets	0.125% of average annual net assets	0.125% of average annual net assets

- 8.4** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations.

Accordingly, the Management Company based on its own discretion has charged selling and marketing expenses at the rate of 0.7% (2022: 0.7%) of the average annual net assets of the Fund and the same has also been approved by the Board of Directors of the Management Company.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 40.695 million (2022: Rs 40.695 million) is being retained in these financial statements as the matter is pending before the SCP. Had the provision for FED not been made, the net asset value per unit of the Fund as at June 30, 2023 would have been higher by Re 0.0884 (2022: Re 0.0596) per unit.

	Note	2023	2022
		-----Rupees in '000-----	
9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY			
Trustee remuneration	9.1	321	492
Sindh sales tax on trustee remuneration	9.2	42	64
		<u>363</u>	<u>556</u>

- 9.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2022: 0.075%) per annum of average annual net assets of the Fund. Accordingly, the Fund has charged trustee fee at the above mentioned rate during the year.

- 9.2** During the year, an amount of Rs 0.590 million (2022: Rs 0.965 million) was charged on account of Sindh sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023	2022
			----- (Rupees in 000) -----	
	Annual fee payable	10.1	1,210	1,980

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

11	ACCRUED EXPENSES AND OTHER LIABILITIES	2023	2022
		-----Rupees in '000-----	
	Auditors' remuneration payable	617	552
	Brokerage fee payable	116	26
	Settlement charges payable	304	152
	Printing charges payable	241	113
	Withholding tax payable	55,102	60,638
	Capital gain tax payable	6,151	12,720
	Legal and professional charges payable	520	414
	Other payable	537	345
		63,588	74,960

12 CONTINGENCIES AND COMMITMENTS

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

13	NUMBER OF UNITS IN ISSUE	2023	2022
		-----Number of units-----	
	Total units in issue at the beginning of the year	683,124,305	738,698,845
	Add: units issued during the year	261,702,679	1,209,586,463
	Less: units redeemed during the year	(484,250,768)	(1,265,161,003)
	Total units in issue at the end of the year	460,576,216	683,124,305

14 AUDITORS' REMUNERATION

	Annual audit fee	483	439
	Half yearly review	200	182
	Other certification	132	110
	Out of pocket expenses	129	89
		944	820

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 income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements during the year.

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

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

18 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the year ended June 30, 2023 is 2.01% (2022: 1.78%) which includes 0.14% (2022: 0.11%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. The TER excluding government levies is 1.87% (2022: 1.67%) which is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as income scheme.

19 DETAILS OF NON-COMPLIANT INVESTMENTS

The SECP vide Circular no. 7 of 2009 dated March 6, 2009, required all asset management companies to categorise funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non-compliant investments:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	% of net assets	% of gross assets
			-----Rupees in '000-----				
Azgard Nine Limited - Zero Coupon	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	195,465	(195,465)	-	-	-
Azgard Nine Limited VII - PPTFC	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	80,475	(80,475)	-	-	-
Agritech Limited I	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	148,553	(148,553)	-	-	-
Agritech Limited V	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	32,320	(32,320)	-	-	-
Dewan Cement Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	150,000	(150,000)	-	-	-
Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Sukuks	9,056	(9,056)	-	-	-
New Allied Electronics Industries (Private) Limited - PPTFC	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	31,707	(31,707)	-	-	-



Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	% of net assets	% of gross assets
			-----Rupees in '000-----				
New Allied Electronics Industries (Private) Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Sukuks	44,149	(44,149)	-	-	-
Pace Pakistan Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	149,820	(149,820)	-	-	-
Saudi Pak Leasing Company Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	41,321	(41,321)	-	-	-
Silk Bank Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	99,920	(69,122)	30,798	0.62%	0.50%
Worldcall Telecom Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	69,157	(69,157)	-	-	-
Azgard Nine Limited (Non-voting)	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Shares	13	(13)	-	-	-
Shakarganj Food Products Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Sukuks	35,000	(8,120)	26,880	0.54%	0.53%
Total carrying value and accumulated impairment as at June 30, 2023			<u>1,086,956</u>	<u>(1,029,278)</u>	<u>57,678</u>		
Total carrying value and accumulated impairment as at June 30, 2022			<u>1,053,262</u>	<u>(980,491)</u>	<u>72,771</u>		

19.1 At the time of purchase, these investments were in compliance with the aforementioned circular. However, they either subsequently defaulted or were downgraded to non investment grade.

20. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, 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 / related parties essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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 Trust Deed.
- 20.5** Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company subject to the maximum prescribed Total Expense Ratio.
- 20.6** Details of transactions with connected persons and related parties are as follows:

	2023	2022
	----- Rupees in '000 -----	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	53,804	60,299
Sindh sales tax on remuneration of the Management Company	6,995	7,839
Reimbursement of allocated expenses	7,954	12,374
Reimbursement of selling and marketing expenses	42,342	69,292
Sales and transfer load	3,073	10,796
Sales tax on sales and transfer load	399	1,403
ADC charges for the year including Sindh sales tax	520	661
Units issued: Nil (2022: 31,684 units)	-	341
Units redeemed: 32,261 units (2022: 3,732,302 units)	352	41,051
Dividend re-invest units: Nil (2022: 577 units)	-	6
NBP Employees Pension Fund - unit holder with more than 10% holding		
Dividend re-invest: 19,459,415 units (2022: 11,086,512 units)	210,187	119,405
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	4,537	7,424
Sindh sales tax on remuneration of the Trustee	590	965
Settlement charges	532	366
National Clearing Company of Pakistan Limited - common directorship **		
NCCPL charges	-	599
Units redeemed: Nil (2022: 1,854,066 units)	-	20,000
Dividend re-invest units: Nil (2022: 271,128 units)	-	2,920
Taurus Securities Limited - subsidiary of Parent company		
Brokerage expense	-	203
Employees of the Management Company		
Units issued: 7,460,954 units (2022: 13,866,970 units)	85,745	153,632
Units redeemed: 7,283,050 units (2022: 13,712,621 units)	84,618	159,365
Dividend re-invest: 7,871 units (2022: 10,817 units)	85	117
Lucky Electric Power Company Limited - common directorship***		
Purchase of short term sukuk	845,717	-
K-Electric Limited - common directorship ***		
Purchase of short term sukuk	200,000	-
NBP Islamic Mahana Amdani Fund		
Sale of sukuk	-	88,362
Portfolio managed by the Management Company		
Units issued: 3,136,643 (2022: 57,357,269 units)	34,000	625,121
Units redeemed: 11,495,657 units (2022: 52,039,514 units)	134,079	613,147
Dividend re-invest units issued: 2,329,640 units (2022: 1,125,309 units)	25,163	12,119
National Bank of Pakistan - Parent of the Management Company		
Purchase of Market treasury bills	-	1,735,173
Profit on bank balance	-	4,081

	2023	2022
	----- Rupees in '000 -----	
BankIslami Pakistan Limited - common directorship **		
Profit on bank balances	-	2,870
Khushhali Microfinance Bank Limited - common directorship **		
Profit on bank balance	-	67,339
Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer of the Management Company		
Units issued: Nil units (2022: 170,911 units)	-	1,975
Units redeemed: 120 units (2022: 170,700 units)	1	1,981
Dividend re-invest units issued: 12 units (2022: 4 units) *	-	-
20.7 Amounts outstanding as at year end are as follows:		
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	4,281	5,726
Sindh sales tax on remuneration of the Management Company	557	744
Reimbursement of allocated expenses payable	1,996	2,644
Reimbursement of selling and marketing expenses payable	9,313	14,809
Sales and transfer load payable	205	611
Sindh sales tax on sales and transfer load	26	141
Federal excise duty and related Sindh sales tax on management fee and sales load	40,695	40,695
ADC charges payable including Sindh sales tax	307	436
Units held: Nil (2022: 32,261 units)	-	348
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	321	492
Sindh sales tax on remuneration of the Trustee	42	64
Settlement charges payable	152	51
Security deposit	100	100
National Clearing Company of Pakistan Limited - common directorship **		
Security deposit	-	2,750
Settlement charges payable	-	101
Units held: Nil (2022: 1,739,543 units)	-	18,779
K-Electric Limited - common directorship ***		
Sukuk certificates	307,281	-
National Bank of Pakistan - Parent of the Management Company		
Bank balances	2,222	2,260
Profit receivable on bank balances	3	69
NBP Employees Pension Fund - unit holder with more than 10% holding		
Units held: 146,024,708 units (2022: 126,565,293 units)	1,583,696	1,366,310
BankIslami Pakistan Limited - common directorship **		
Bank balances	-	6,312
Profit receivable on bank balances	-	525
Portfolio managed by the Management Company		
Units held in the Fund: 23,003,843 units (2022: 18,042,444 units)	249,486	194,777
Employees of the Management Company		
Units held in the Fund: 673,031 units (2022: 422,485 units)	7,299	4,561

	2023	2022
	----- Rupees in '000 -----	
Khushhali Microfinance Bank Limited - common directorship **		
Bank balance	-	329,901
Profit receivable on bank balance	-	7
Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer of the Management Company		
Units held in the Fund: 107 units (2022: 215 units)	1	2
Telenor Microfinance Bank Limited - common directorship		
Bank balance	8	7
Profit receivable on bank balance	6	14

* Nil due to rounding off.

** Current period figures have not been presented as the person is not a related party / connected person as at June 30, 2023.

*** Prior period figures have not been presented as the person was not a related party / connected person as at June 30, 2022.

21 FINANCIAL INSTRUMENTS BY CATEGORY

	----- 2023 -----		
	At fair value through profit or loss	At amortised cost	Total
	----- Rupees in '000 -----		
Financial assets			
Bank balances	-	3,112,909	3,112,909
Investments	1,856,437	-	1,856,437
Profit receivable	-	106,183	106,183
Receivable against issuance of units	-	31,006	31,006
Deposits	-	2,850	2,850
	<u>1,856,437</u>	<u>3,252,948</u>	<u>5,109,385</u>
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	57,380	57,380
Payable to the Central Depository Company of Pakistan Limited - the Trustee	-	363	363
Payable against redemption of units	-	1,652	1,652
Accrued expenses and other liabilities	-	2,335	2,335
	<u>-</u>	<u>61,730</u>	<u>61,730</u>

	----- 2022 -----		
	At fair value through profit or loss	At amortised cost	Total
	-----Rupees in '000-----		
Financial assets			
Bank balances	-	6,289,721	6,289,721
Investments	1,655,898	-	1,655,898
Profit receivable	-	95,615	95,615
Receivable against issuance of units	-	1,298	1,298
Deposits and other receivables	-	2,850	2,850
	1,655,898	6,389,484	8,045,382
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	65,806	65,806
Payable to the Central Depository Company of Pakistan Limited - the Trustee	-	556	556
Payable against redemption of units	-	537,441	537,441
Accrued expenses and other liabilities	-	1,602	1,602
	-	605,405	605,405

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

22.1 Market risk

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

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

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

(i) Profit rate risk

Profit rate risk is the risk that the future cash flows of financial instruments 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, investment in sukuk certificates, term finance certificates and Pakistan Investment Bonds. 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 KIBOR based sukuk certificates, term finance certificates, Pakistan Investment Bonds and bank balances which expose the Fund to cash flow 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 income for the year and net assets of the Fund would have been higher / lower by Rs. 49.12 million (2022: Rs. 73.60 million).

(b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any investment which expose the Fund to cash flow interest rate risk as at June 30, 2023. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. Nil (2022: Rs. 5.86 million).

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

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

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

Effective profit rate (%)	2023				Total	
	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk		
	Up to three months	More than three months and up to one year	More than one year			
-----Rupees in '000-----						
Financial assets						
Bank balances	19.50% - 22.60%	3,112,839	-	-	70	3,112,909
Investments	18.50% - 24.68%	563,656	100,000	1,192,781	-	1,856,437
Profit receivable		-	-	-	106,183	106,183
Receivable against issuance of units		-	-	-	31,006	31,006
Deposits		-	-	-	2,850	2,850
		3,676,495	100,000	1,192,781	140,109	5,109,385
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	57,380	57,380
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	363	363
Payable against redemption of units		-	-	-	1,652	1,652
Accrued expenses and other liabilities		-	-	-	2,335	2,335
		-	-	-	61,730	61,730
On-balance sheet gap		3,676,495	100,000	1,192,781	78,379	
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total profit rate sensitivity gap		3,676,495	100,000	1,192,781		
Cumulative profit rate sensitivity gap		3,676,495	3,776,495	4,969,275		

2022					
Effective 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 -----

Financial assets

Bank balances	12.25% -17.25%	6,289,651	-	-	70	6,289,721
Investments	8.94% - 12.85%	585,525	77,488	992,885	-	1,655,898
Profit receivable		-	-	-	95,615	95,615
Receivable against issuance of units		-	-	-	1,298	1,298
Deposits and other receivables		-	-	-	2,850	2,850
		6,875,176	77,488	992,885	99,833	8,045,382

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	65,806	65,806
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	556	556
Payable against redemption of units		-	-	-	537,441	537,441
Accrued expenses and other liabilities		-	-	-	1,602	1,602
		-	-	-	605,405	605,405

On-balance sheet gap

6,875,176	77,488	992,885	(505,572)
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Off-balance sheet financial instruments

-	-	-	-
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Off-balance sheet gap

-	-	-	-
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Total profit rate sensitivity gap

6,875,176	77,488	992,885
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Cumulative profit rate sensitivity gap

6,875,176	6,952,664	7,945,549
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(ii) Currency risk

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

(iii) Price risk

Price risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks.

In case of 1% increase / decrease in KSE-100 Index on June 30, 2023, with all variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Nil (2022: Nil) and the net assets of the Fund would increase / decrease by the same amount as a result of gains losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in KSE-100 Index, having regard to the historical volatility of the index. The composition of the fund's investment portfolio and the correlation thereof to the KSE-100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the fund's net assets of future movements in the level of KSE-100 Index.

22.2 Liquidity risk

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

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active or over the counter market and can be readily disposed of and are considered readily realisable.

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

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

The table below summaries the maturity profile of the Fund's financial instruments. 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 assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

----- 2023 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 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

57,380	-	-	-	-	-	57,380
363	-	-	-	-	-	363
1,652	-	-	-	-	-	1,652
1,718	617	-	-	-	-	2,335
61,113	617	-	-	-	-	61,730

----- 2022 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 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 Pakistan Limited - the Trustee
Payable against redemption of units
Accrued expenses and other liabilities

65,806	-	-	-	-	-	65,806
556	-	-	-	-	-	556
537,441	-	-	-	-	-	537,441
1,050	552	-	-	-	-	1,602
604,853	552	-	-	-	-	605,405

22.3 Credit risk

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

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees in '000 -----				
Financial assets				
Bank balances	3,112,909	3,112,909	6,289,721	6,289,721
Investments	1,856,437	883,337	1,655,898	1,655,898
Profit receivable	106,183	77,714	95,615	95,615
Deposits and other receivable	2,850	2,850	2,850	2,850
Receivable against issuance of units	31,006	31,006	1,298	1,298
	<u>5,109,385</u>	<u>4,107,816</u>	<u>8,045,382</u>	<u>8,045,382</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in government securities and its accrued profit, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

22.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, sukuk certificates, term finance certificates and accrued profit thereon. The credit rating profile of balances with banks and investments are as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
Bank balances and accrued profit thereon		
AAA	0.53%	0.89%
AA+	0.16%	9.61%
AA	-*	-
AA-	44.32%	44.33%
A+	8.78%	0.82%
A-	8.02%	4.10%
A	0.06%	18.42%
Unrated	-*	-

Rating	% of financial assets exposed to credit risk	
	2023	2022
Term finance certificates and sukuk certificates		
AA+	10.80%	9.39%
AA-	0.17%	1.49%
A+	0.98%	0.93%
A	2.44%	-
A-	1.96%	-
BBB+	1.13%	1.50%

* Nil due to rounding off

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 and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

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

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

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

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

----- 2023 -----				
Level 1	Level 2	Level 3	Total	
----- Rupees in 000-----				
At fair value through profit or loss				
Term finance certificates	-	235,924	-	235,924
Corporate sukuk certificates	-	647,413	-	647,413
Government securities - Pakistan investment bonds	-	973,100	-	973,100
	-	1,856,437	-	1,856,437

----- 2022 -----				
Level 1	Level 2	Level 3	Total	
----- Rupees in 000-----				
At fair value through profit or loss				
Term finance certificates	-	357,576	-	357,576
Corporate sukuk certificates	-	712,797	-	712,797
Commercial papers*	-	585,525	-	585,525
	-	1,655,898	-	1,655,898

* The valuation of commercial papers was done based on amortisation to their fair value as per the guidelines given in Circular 33 of 2012 issued by the SECP as the residual maturity of these investments were less than six months and were placed with counterparties which have high credit rating.

25 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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

In accordance with the risk management policies as stated in note 23, 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.

26 UNIT HOLDING PATTERN OF THE FUND

Category	----- 2023 -----			----- 2022 -----		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Associated companies and directors	2	1,583,744	31.71%	4	1,385,439	18.79%
Individuals	3,875	2,031,501	40.67%	4,340	4,243,005	57.54%
Insurance companies *	2	-	-	5	57,786	0.78%
NBFCs *	1	-	-	1	-	0.00%
Public limited companies	6	4	-	6	606	0.01%
Retirement funds	22	862,513	17.27%	31	945,457	12.82%
Others	84	517,366	10.35%	96	742,250	10.06%
	3,992	4,995,128	100.00%	4,483	7,374,543	100.00%

* Nil figure due to rounding off

27 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2023	Name of broker	2022
	% of commission paid		% of commission paid
J.S. Global Capital Limited	24.11%	BIPL Securities Limited	42.95%
Invest One Markets Limited	24.11%	Aqeel Karim Dehdi Securities (Private) Limited	40.40%
Continental Exchange (Private) Limited	14.77%	Magenta Capital (Private) Limited	23.05%
Optimus Markets (Private) Limited	12.27%	M.R.A Securities	17.59%
Bright Capital (Private) Limited	8.01%	Next Capital Limited	16.45%
Next Capital Limited	6.03%	Adam Securities (Private) Limited	8.45%
AKD Securities Limited	4.02%	BMA Capital Management Limited	7.13%
Magenta Capital (Private) Limited	3.98%	Bright Capital (Private) Limited	5.73%
BIPL Securities Limited	1.38%	Alfalah Securities (Private) Limited	5.65%
Alfalah CLSA Securities (Private) Limited	1.32%	Continental Exchange (Private) Limited	5.47%

28 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 28.1)	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

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

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

29 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 1, 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 / applicable	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	6	6	-	-
Ali Saigol	6	6	-	-
Imran Zaffar	6	5	1	89th Meeting
Khalid Mansoor	6	6	-	-
Humayun Bashir (note 29.1)	2	2	-	-
Saad Amanullah Khan	6	6	-	-
Dr. Amjad Waheed	6	6	-	-
Mehnaz Salar	6	6	-	-
Tauqeer Mazhar	6	5	1	91st Meeting
Ruhail Muhammad (note 29.2)	3	3	-	-

29.1 Mr. Humayun Bashir resigned as director on October 4, 2022.

29.2 Mr. Ruhail Muhammad was opted as director on the Board with effect from October 4, 2022.

30 CORRESPONDING FIGURES

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

31 GENERAL

31.1 Figures in these financial statements have been rounded off to the nearest thousand of rupees, unless otherwise specified.

32 DATE OF AUTHORISATION FOR ISSUE

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



PERFORMANCE TABLE

Particulars	For the year ended June 30, 2023	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2018
Net assets (Rs. '000')	4,995,128	7,374,543	7,953,620	4,000,417	5,295,769	6,351,157
Net Income / (loss) (Rs. '000')	881,113	912,546	512,086	596,574	498,027	434,363
Net Asset Value per units (Rs.)	10.8454	10.7953	10.7671	10.7550	10.7303	11.2668
Offer price per unit	10.9680	10.9173	10.8888	10.8765	10.8515	11.3941
Redemption price per unit	10.8454	10.7953	10.7671	10.7550	10.7303	11.2668
Ex - Highest offer price per unit (Rs.)	10.9680	10.9173	10.8888	10.8772	11.3930	11.3941
Ex - Lowest offer price per unit (Rs.)	9.4654	9.9389	10.1012	9.4903	10.8200	10.8180
Ex - Highest redemption price per unit (Rs.)	10.8454	10.7953	10.7671	10.7557	11.2657	11.2668
Ex - Lowest redemption price per unit (Rs.)	9.3597	9.8279	9.9883	9.4903	10.6991	10.6943
Fiscal Year Opening Ex NAV	9.3560	9.8237	9.9858	9.4874	10.6964	10.6964
Total return of the fund	15.92%	9.89%	7.82%	13.32%	9.20%	5.33%
Capital growth	0.54%	0.29%	0.12%	0.22%	0.47%	0.00%
Income distribution as % of Ex-NAV	15.38%	9.60%	7.70%	13.10%	8.73%	5.33%
Income distribution as % of Par Value	16.61%	10.34%	8.29%	14.06%	9.34%	5.70%
Interim distribution per unit	1.6607	1.034	0.8285	1.4057	0.9343	
Final distribution per unit	-	-	-	-	-	0.5704
Distribution dates						
Interim	23-Jun-23	24-Jun-22	28-Jun-21	26-Jun-20	20-Dec-18	
Interim	-	-	-	-	24-Jun-19	
Final	-	-	-	-	-	4-Jul-18
Average annual return (launch date 21-04-2006)						
(Since inception to June 30, 2023)	8.89%					
(Since inception to June 30, 2022)		8.47%				
(Since inception to June 30, 2021)			8.38%			
(Since inception to June 30, 2020)				8.42%		
(Since inception to June 30, 2019)					8.10%	
(Since inception to June 30, 2018)						7.96%
(Since inception to June 30, 2017)						
(Since inception to June 30, 2016)						
(Since inception to June 30, 2015)						
(Since inception to June 30, 2014)						
Portfolio Composition (Please see Fund Manager Report)						
Weighted average portfolio duration	125 Days	15 Days	22 Days	180 Days		34 Days

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

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