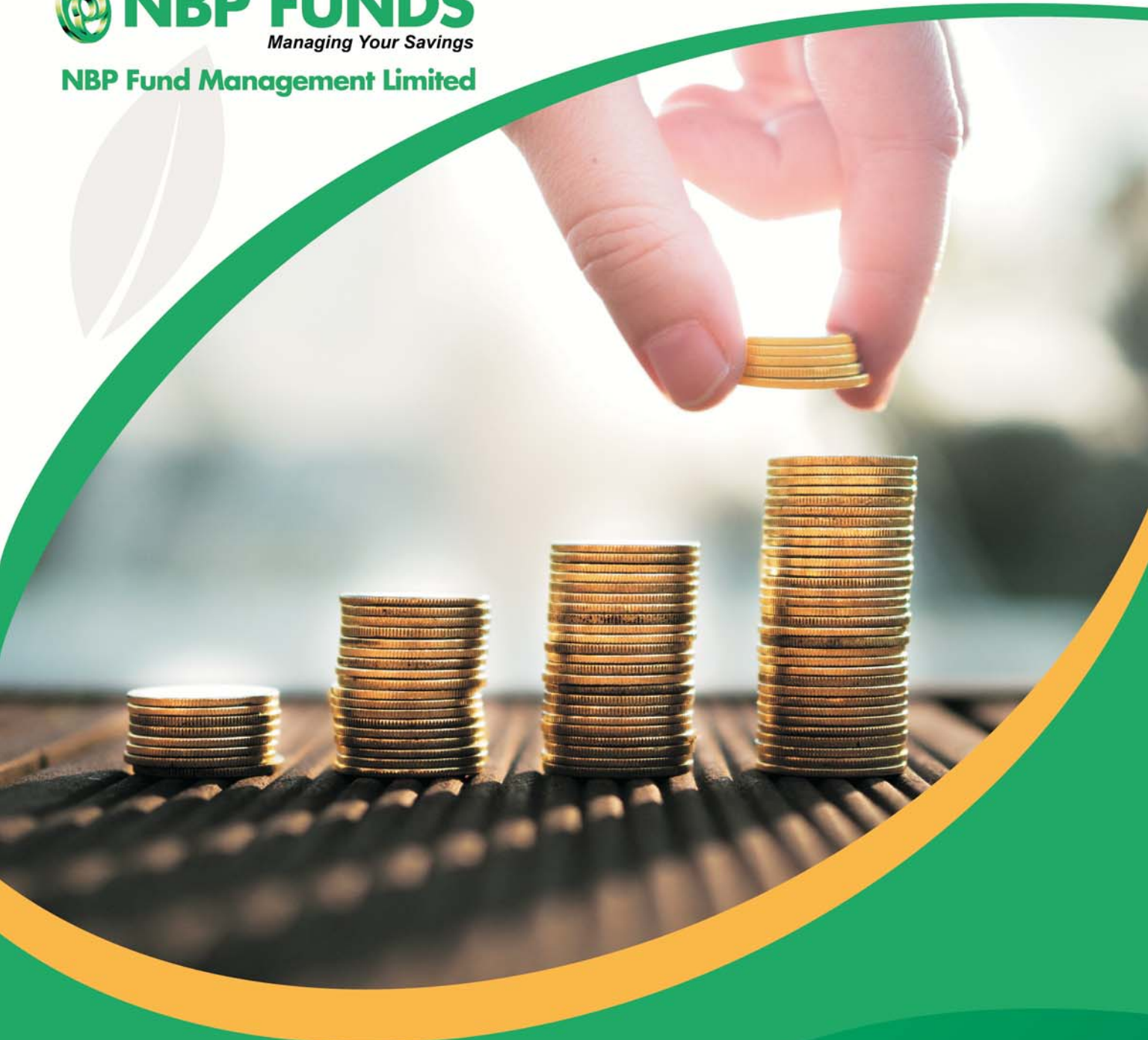




Managing Your Savings

NBP Fund Management Limited



NBP MONEY MARKET 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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited	BankIslami Pakistan Limited
JS Bank Limited	National Bank of Pakistan
Meezan Bank Limited	Samba Bank Limited
Habib Bank Limited	Faysal Bank Limited
United Bank Limited	Dubai Islamic Bank Pakistan Limited
Bank Alfalah Limited	The Bank of Punjab
Bank Al Habib Limited	
Askari Bank Limited	
Habib Metropolitan Bank Limited	
Allied Bank Limited	



Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Saad Amanullah Khan
Director



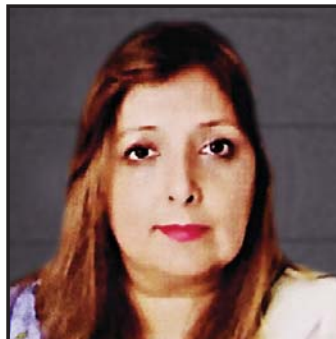
Mr. Tauqeer Mazhar
Director



Mr. Ali Saigol
Director



Mr. Ruhail Muhammad
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Business
Development Officer



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



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Salman Ahmed, CFA
Head of Fixed Income



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



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Mr. Waheed Abidi
Head of Internal Audit



Mr. Hassan Raza, CFA
Head of Research



Mr. Mustafa Farooq
Head of Compliance

DIRECTORS' REPORT

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

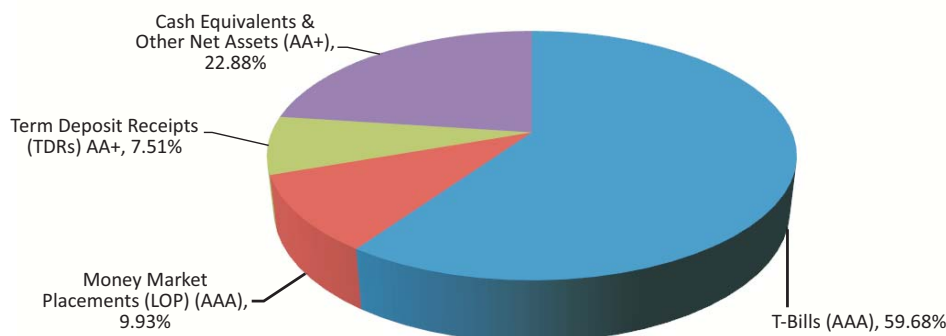
Fund's Performance

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

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a Money Market scheme, the Fund has strict investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is 'AA', while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

The size of NBP Money Market Fund has increased from Rs. 51,107 million to Rs. 67,654 million during the period (an increase of 32%). During the period, the unit price of the Fund has increased from Rs. 8.4794 (Ex-Div) on June 30, 2022 to Rs. 9.9797 on June 30, 2023, thus showing a return of 17.69% as compared to the benchmark return of 17.01% for the same period i.e an outperformance of 0.68%. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 10,336.02 million during the year. After deducting total expenses of Rs. 599.07 million, the net income is Rs. 9,736.95 million. The asset allocation of NMMF as on June 30, 2023 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 15.91% of the opening ex-NAV (15.80% of the par value) during the year ended June 30, 2023.

Taxation

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

Auditors

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

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

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the year. The attendance of all directors is disclosed in the note 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. For the year ended June 30, 2023, the Board included:

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

Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: **September 15, 2023**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP منی مارکیٹ فنڈ (NMMF) کی بارہویں سالانہ رپورٹ برائے اختتامہ سال 30 جون 2023 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

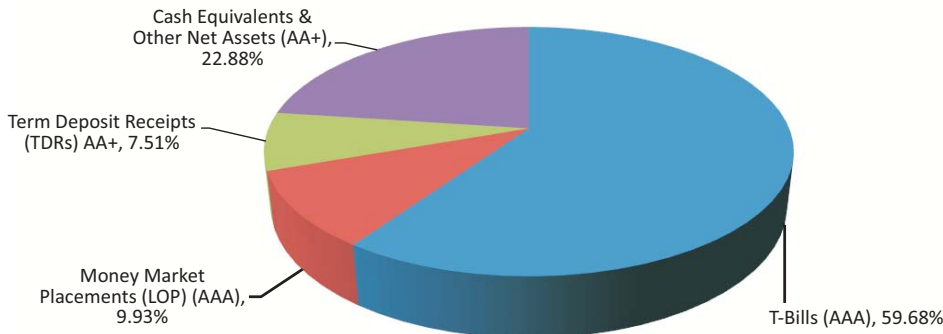
فنڈ کی کارکردگی

مالی سال 23 کے دوران، اسٹیٹ بینک کی مانیٹری پالیسی کمیٹی (MPC) نے 9 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 نمو کو کمزور کر رہا ہے۔ مزید برآں، کم نئے افلو ز اور کمزور سرمایہ کاری کے درمیان قرض کی ادائیگی زرمبادلہ ذخائر پر دباؤ ڈال رہی ہے۔ اسٹیٹ بینک آف پاکستان (SBP) کے ہاں خالص لیکچوڈ غیر ملکی زرمبادلہ کے ذخائر جون 2023 میں 4.5 بلین امریکی ڈالر ریکارڈ کیے گئے، جو مالی سال 23 کے دوران 5.3 بلین امریکی ڈالر کی کمی سے مالی استحکام اور مالیاتی کنسولیدیشن کے لیے چیلنجی صورتحال 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 جھجکاؤ مختصر مدت کی طرف رہا۔ SBP نے سٹائیکس (27) ٹی بل نیلامیوں کا انعقاد کیا، جس میں 24.4 ٹریلین روپے کے ہدف اور 23.5 ٹریلین روپے کی میچورٹی کے مقابل 25.1 ٹریلین روپے کی وصولی ہوئی۔ ٹی بلز کی 3 ماہ، 6 ماہ اور 12 ماہ کی پیداوار میں بالترتیب 767 bps، 772 bps اور 763 bps کا اضافہ ہوا۔

NMMF کو PACRA کی طرف سے (f) AA کی اسٹیٹیلٹی ریٹنگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ ایک منی مارکیٹ اسکیم کی حیثیت سے فنڈ سرمایہ کاری کی انتہائی سخت ہدایات رکھتا ہے۔ فنڈ کی منظور شدہ انویسٹمنٹس میں ٹی بلز، بینک ڈپازٹس اور منی مارکیٹ انسٹرومنٹس شامل ہیں۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی کسی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نئی تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

NBP منی مارکیٹ فنڈ کا ساٹھ ماہ اس مدت کے دوران 51,107 ملین روپے سے بڑھ کر 67,654 ملین روپے ہو گیا ہے یعنی 32% کا اضافہ ہوا۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 8.4794 روپے (EX-Div) سے بڑھ کر 30 جون 2023 کو 9.9797 روپے ہو گئی، اسی مدت کے دوران 17.01% کے نیچے مارک ریٹرن کے مقابلے میں 17.69% کا منافع یعنی 0.68% کی بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 10,336.02 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 599.07 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 9,736.95 ملین روپے رہی۔ 30 جون 2023 کو NMMF کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 15.91% (بنیادی قدر کا 15.80%) عبوری نقد ڈیویڈنڈ منظور کیا ہے۔

ٹیکسیشن

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

آڈیٹرز

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

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

1. منجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چوراہا جلسے منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ زیر جانزہ مدت 30 جون 2023 کے دوران بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل رہا۔

نام	کیٹگری
جناب خالد منصور جناب سعد امان اللہ خان جناب روئیل محمد جناب ہمایوں بشیر	•1 •2 •3 •4
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	
شیخ محمد عبدالواحد سیٹھی (چیئر مین) جناب توقیر مظہر محترمہ مہناز سالار جناب علی سیگل جناب عمران ظفر	•1 •2 •3 •4 •5



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ انویسٹمنٹ 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 Money Market 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 Money Market Fund

NBP Money Market Fund (NMMF) is an Open-End Money Market Scheme.

Investment Objective of the Fund

The objective of NBP Money Market Fund is to provide stable income stream with preservation of capital by investing in AA and above rated banks and money market instruments.

Benchmark

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

Fund Performance Review

This is the 12th Annual report since the launch of the Fund on February 23, 2012. The Fund size increased by 32% during FY23 and stands at Rs. 67.7 billion as of June 30, 2023. The Fund's return since its inception is 9.3% p.a. versus the benchmark return of 8.1% p.a. This translates into outperformance of 1.2% p.a. The Fund posted a 17.7% return during FY23 versus the benchmark return of 17.0%. This performance is net of management fee and all other expenses.

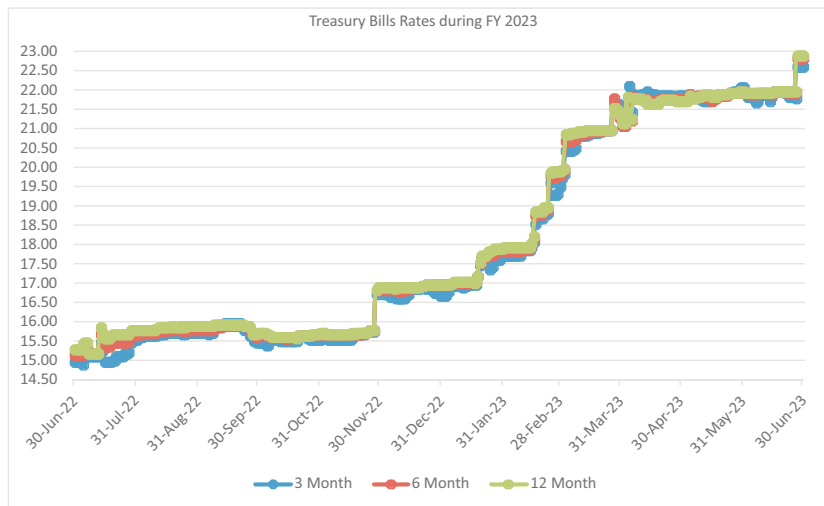
NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a money market scheme, the Fund has stringent investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits, and Money Market instruments. The minimum rating requirement is AA, while the Fund is not allowed to invest in any security exceeding six months of maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

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

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-23	30-Jun-22
T-Bills	59.7%	0.0%
Placements with Banks & DFIs	17.4%	2.0%
Cash & Other Assets	22.9%	98.0%
Total	100%	100%

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



Distribution for the Financial Year 2023

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jul-22	1.11%	10.0418	9.9311
Aug-22	1.31%	10.0622	9.9311
Sep-22	1.19%	10.0500	9.9311
Oct-22	1.18%	10.0492	9.9311
Nov-22	1.27%	10.0578	9.9311
Dec-22	1.20%	10.0508	9.9311
Jan-23	1.24%	10.0555	9.9311
Feb-23	1.40%	10.0711	9.9311
Mar-23	1.37%	10.0677	9.9311
Apr-23	1.54%	10.0848	9.9311
May-23	1.80%	10.1106	9.9311
Jun-23	1.21%	10.0517	9.9311

Unit Holding Pattern of NBP Money Market Fund as on June 30, 2023

Size of Unit Holding (Units)	# of Unit Holders
1-1000	3,339
1001-5000	323
5001-10000	125
10001-50000	358
50001-100000	164
100001-500000	495
500001-1000000	145
1000001-5000000	193
5000001-10000000	36
10000001-100000000	84
100000001-1000000000	11
Total	5,273

NBP MONEY MARKET FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

During the period under question:

There has been no significant change in the state of affairs of the Fund. NBP Money Market 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 Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP Money Market 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. 15,498.778 million and Rs. 52,175.383 million respectively.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> tested the design and operating effectiveness of the key controls for valuation of investments; obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2023 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;

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

Other 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 : AR202310061mJOAFK2WU

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

	Note	2023 ----- Rupees in '000 -----	2022 ----- Rupees in '000 -----
ASSETS			
Bank balances	4	15,498,778	50,077,359
Investments	5	52,175,383	1,000,000
Profit receivable	6	361,944	253,663
Deposit and prepayment	7	415	412
Receivable against transfer of units		48,335	10,466
Total assets		68,084,855	51,341,900
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	8	180,091	78,731
Payable to the Central Depository Company of Pakistan Limited - the Trustee	9	3,272	2,003
Payable to the Securities and Exchange Commission of Pakistan	10	11,893	5,882
Payable against redemption of units		109,925	79,629
Accrued expenses and other liabilities	11	126,133	68,604
Total liabilities		431,314	234,849
NET ASSETS		67,653,541	51,107,051
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		67,653,541	51,107,051
CONTINGENCIES AND COMMITMENTS	12		
----- Number of units -----			
NUMBER OF UNITS IN ISSUE	13	6,779,148,918	5,146,177,660
----- Rupees -----			
NET ASSET VALUE PER UNIT	14	9.9797	9.9311

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- Rupees in '000 -----	2022 ----- Rupees in '000 -----
INCOME			
Income on letters of placement		2,023,696	342,807
Profit on bank balances		2,834,043	2,568,976
Income on government securities		5,396,021	319,979
Income on certificates of investments		-	3,863
Income on term deposit receipts		174,739	24,082
Loss on sale of investments		(49,983)	(4,750)
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.4	(42,500)	-
		<u>(92,483)</u>	<u>(4,750)</u>
Total income		<u>10,336,016</u>	<u>3,254,957</u>
EXPENSES			
Remuneration of NBP Fund Management Limited - the Management Company	8.1	276,267	45,195
Sindh sales tax on remuneration of the Management Company	8.2	35,915	5,875
Reimbursement of allocated expenses	8.3	74,334	36,763
Reimbursement of selling and marketing expenses	8.4	158,013	16,898
Remuneration of the Central Depository Company of Pakistan Limited - the Trustee	9.1	32,707	16,781
Sindh sales tax on remuneration of the Trustee	9.2	4,252	2,181
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	11,893	5,882
Auditors' remuneration	15	925	811
Legal and professional charges		168	279
Annual rating fee		625	519
Printing charges		112	97
Annual listing fee		25	25
Settlement and bank charges		3,831	782
Total expenses		<u>599,067</u>	<u>132,088</u>
Net income from operating activities		<u>9,736,949</u>	<u>3,122,869</u>
Reversal of provision for Sindh Workers' Welfare Fund		-	176,440
Net income for the year before taxation		<u>9,736,949</u>	<u>3,299,309</u>
Taxation	17	-	-
Net income for the year after taxation		<u>9,736,949</u>	<u>3,299,309</u>
Earnings per unit	18		
Allocation of net income for the year:			
Net income for the year after taxation		9,736,949	3,299,309
Income already paid on units redeemed		(1,862,296)	(1,100,207)
		<u>7,874,653</u>	<u>2,199,102</u>
Accounting income available for distribution:			
- Relating to capital gains		-	-
- Excluding capital gains		7,874,653	2,199,102
		<u>7,874,653</u>	<u>2,199,102</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	2023	2022
	----- Rupees in '000 -----	
Net income for the year after taxation	9,736,949	3,299,309
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>9,736,949</u>	<u>3,299,309</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000					
Net assets at the beginning of the year	50,776,251	330,800	51,107,051	21,419,815	203,285	21,623,100
Issuance of 28,010,198,502 units (2022: 18,664,543,232 units)						
- Capital value (at ex-net asset value per unit)	278,172,082	-	278,172,082	184,752,848	-	184,752,848
- Element of income	1,976,174	-	1,976,174	1,155,568	-	1,155,568
Total proceeds on issuance of units	280,148,256	-	280,148,256	185,908,416	-	185,908,416
Redemption of 26,377,227,244 units (2022: 15,702,836,415 units)						
- Capital value (at ex-net asset value per unit)	(261,954,881)	-	(261,954,881)	(155,436,097)	-	(155,436,097)
- Element of loss	(314,851)	(1,862,296)	(2,177,147)	(99,350)	(1,100,207)	(1,199,557)
Total payments on redemption of units	(262,269,732)	(1,862,296)	(264,132,028)	(155,535,447)	(1,100,207)	(156,635,654)
Total comprehensive income for the year	-	9,736,949	9,736,949	-	3,299,309	3,299,309
Cash distribution during the year ended June 30, 2022						
- @ Re. 0.0526 per unit declared on July 28, 2021	-	-	-	(10,221)	(94,342)	(104,563)
- @ Re. 0.1243 per unit declared on August 26, 2021	-	-	-	(108,558)	(199,514)	(308,072)
- @ Re. 0.0682 per unit declared on September 28, 2021	-	-	-	(15,706)	(154,786)	(170,492)
- @ Re. 0.0585 per unit declared on October 26, 2021	-	-	-	(45,741)	(98,424)	(144,165)
- @ Re. 0.0636 per unit declared on November 26, 2021	-	-	-	(51,970)	(103,281)	(155,251)
- @ Re. 0.0867 per unit declared on December 28, 2021	-	-	-	(108,445)	(147,331)	(255,776)
- @ Re. 0.0881 per unit declared on January 27, 2022	-	-	-	(45,504)	(163,321)	(208,825)
- @ Re. 0.0762 per unit declared on February 24, 2022	-	-	-	(73,235)	(145,226)	(218,461)
- @ Re. 0.0980 per unit declared on March 29, 2022	-	-	-	(156,172)	(197,684)	(353,856)
- @ Re. 0.0947 per unit declared on April 27, 2022	-	-	-	(150,692)	(209,561)	(360,253)
- @ Re. 0.1073 per unit declared on May 26, 2022	-	-	-	(82,659)	(232,380)	(315,039)
- @ Re. 0.1237 per unit declared on June 24, 2022	-	-	-	(167,630)	(325,737)	(493,367)
	-	-	-	(1,016,533)	(2,071,587)	(3,088,120)
Cash distribution during the year ended June 30, 2023						
- @ Re. 0.1107 per unit declared on July 28, 2022	(200,690)	(346,431)	(547,121)	-	-	-
- @ Re. 0.1311 per unit declared on August 30, 2022	(160,031)	(618,027)	(778,058)	-	-	-
- @ Re. 0.1189 per unit declared on September 28, 2022	(131,376)	(483,365)	(614,741)	-	-	-
- @ Re. 0.1181 per unit declared on October 27, 2022	(120,204)	(545,811)	(666,015)	-	-	-
- @ Re. 0.1267 per unit declared on November 29, 2022	(132,907)	(592,093)	(725,000)	-	-	-
- @ Re. 0.1197 per unit declared on December 27, 2022	(225,355)	(534,972)	(760,327)	-	-	-
- @ Re. 0.1244 per unit declared on January 26, 2023	(80,704)	(556,882)	(637,586)	-	-	-
- @ Re. 0.1400 per unit declared on February 28, 2023	(103,627)	(686,470)	(790,097)	-	-	-
- @ Re. 0.1366 per unit declared on March 29, 2023	(137,864)	(731,679)	(869,543)	-	-	-
- @ Re. 0.1537 per unit declared on April 27, 2023	(120,787)	(837,089)	(957,876)	-	-	-
- @ Re. 0.1795 per unit declared on May 30, 2023	(90,940)	(958,471)	(1,049,411)	-	-	-
- @ Re. 0.1206 per unit declared on June 21, 2023	(131,529)	(679,383)	(810,912)	-	-	-
	(1,636,014)	(7,570,673)	(9,206,687)	-	-	-
Net assets at the end of the year	67,018,761	634,780	67,653,541	50,776,251	330,800	51,107,051
Undistributed income brought forward						
- Realised income		330,800			203,285	
- Unrealised income		-			-	
		330,800			203,285	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		7,874,653			2,199,102	
		7,874,653			2,199,102	
Interim distributions during the year		(7,570,673)			(2,071,587)	
Undistributed income carried forward		634,780			330,800	
Undistributed income carried forward						
- Realised income		677,280			330,800	
- Unrealised loss		(42,500)			-	
		634,780			330,800	
			Rupees			Rupees
Net asset value per unit at the beginning of the year			9.9311			9.8986
Net asset value per unit at the end of the year			9.9797			9.9311

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

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

Note	2023	2022
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	9,736,949	3,299,309
Adjustments:		
Income on letters of placement	(2,023,696)	(342,807)
Profit on bank balances	(2,834,043)	(2,568,976)
Income on government securities	(5,396,021)	(319,979)
Income on certificate of investments	-	(3,863)
Income on term deposit receipts	(174,739)	(24,082)
Loss on sale of investment	49,983	4,750
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	42,500	-
Reversal of provision for Sindh Workers' Welfare Fund	-	(176,440)
	<u>(10,336,016)</u>	<u>(3,431,397)</u>
	(599,067)	(132,088)
Increase in assets		
Investments - net	(92,483)	(4,750)
Deposits and prepayments	(3)	(51)
	(92,486)	(4,801)
Increase in liabilities		
Payable to NBP Fund Management Limited - the Management Company	101,360	17,137
Payable to the Central Depository Company of Pakistan Limited - the Trustee	1,269	853
Payable to the Securities and Exchange Commission of Pakistan	6,011	574
Accrued expenses and other liabilities	57,529	48,449
	166,169	67,013
Profit received on bank balances, term deposit receipts, certificates of investments, government securities and letters of placement	10,320,218	3,048,776
Net cash generated from operating activities	<u>9,794,834</u>	<u>2,978,900</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units - net of refund of capital	278,474,373	184,881,417
Net payments against redemption of units	(264,101,732)	(156,634,540)
Cash distributions paid	(7,570,673)	(2,071,587)
Net cash generated from financing activities	<u>6,801,968</u>	<u>26,175,290</u>
Net increase in cash and cash equivalents during the year	16,596,802	29,154,190
Cash and cash equivalents at the beginning of the year	51,077,359	21,923,169
Cash and cash equivalents at the end of the year	<u>67,674,161</u>	<u>51,077,359</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 4, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 14, 2011.
- 1.2 During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.
- 1.4 The Fund is an open-ended mutual fund categorised as money market scheme and is listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.
- 1.5 The investment objective of the Fund is to generate stable income stream for its unit holders while ensuring capital preservation by investing in AA and above rated banks and money market instruments.
- 1.6 The Pakistan Credit Rating Agency (PACRA) has reaffirmed the 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, PACRA has reaffirmed the stability rating of the Fund at AA(f) on April 14, 2023 (2022: AA(f) on April 19, 2022).
- 1.7 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part 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 requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

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

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

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

2.4 Critical accounting estimates and judgments

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

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

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

Debt instruments

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

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

based on the business model of the entity.

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

3.2.3 Subsequent measurement

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

Financial assets 'at fair value through profit or loss'

Basis of valuation of Government securities

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

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 200 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.

3.2.4 Impairment

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

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

3.2.5 Impairment loss on debt securities

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

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

3.2.6 Regular way contracts

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

3.2.7 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Net asset value per unit

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

3.7 Issuance and redemption of units

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

Units redeemed are recorded at the redemption price applicable to units for which the Management Company/ distributors receive redemption applications during business hours of that day. The redemption price is equal

to NAV as at the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.8 Distributions to unit holders

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

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

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

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

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the income statement in the year in which these arise.
- Profit on bank balances, investments in government securities, letters of placement, certificates of investments and term deposit receipts is recognised on an accrual basis using effective interest method.

3.11 Expenses

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

3.12 Taxation

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

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

3.13 Earnings per unit

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

3.14 Foreign currency translation

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

4	BANK BALANCES	Note	2023	2022
			Rupees in '000	
	Balances with banks in:			
	Saving accounts	4.1	15,498,430	50,077,167
	Current accounts	4.2	348	192
			<u>15,498,778</u>	<u>50,077,359</u>

4.1 These include a balance of Rs 33.099 million (2022: Rs 3.569 million) maintained with the National Bank of Pakistan (a related party) that carry profit at the rate of 19.5% (2022: 12.25%) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 10.00% to 21.15% (2022: 6.5% to 18.28%) per annum.

4.2 These include balance of Rs. 0.166 million (2022: Rs. 0.166 million), maintained with National Bank of Pakistan (a related party).

5	INVESTMENTS	Note	2023	2022
			Rupees in '000	
	At fair value through profit or loss			
	Government securities - Market Treasury Bills	5.1	40,377,108	-
	Letters of placement	5.2	6,715,426	-
	Term deposit receipts	5.3	5,082,849	1,000,000
			<u>52,175,383</u>	<u>1,000,000</u>

5.1 Government securities - Market Treasury Bills

Issue date	Maturity date	Tenor in months	Face value				Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Market value as a percentage of	
			As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023				total investments of the Fund	net assets of the Fund
			Rupees in '000							%	
January 27, 2022	July 28, 2022	6	-	11,045,650	11,045,650	-	-	-	-	-	
February 10, 2022	February 9, 2023	12	-	15,000	15,000	-	-	-	-	-	
February 24, 2022	February 23, 2023	12	-	262,000	262,000	-	-	-	-	-	
February 24, 2022	August 25, 2022	6	-	1,769,000	1,769,000	-	-	-	-	-	
March 10, 2022	September 8, 2022	6	-	4,500,000	4,500,000	-	-	-	-	-	
March 10, 2022	March 9, 2023	12	-	125,000	125,000	-	-	-	-	-	
April 7, 2022	April 6, 2023	12	-	73,000	73,000	-	-	-	-	-	
April 7, 2022	October 6, 2022	6	-	2,000,000	2,000,000	-	-	-	-	-	
April 21, 2022	April 20, 2023	12	-	1,274,915	1,274,915	-	-	-	-	-	
April 21, 2022	October 20, 2022	6	-	4,000,000	4,000,000	-	-	-	-	-	
April 28, 2022	November 3, 2022	6	-	300,000	300,000	-	-	-	-	-	
April 28, 2022	May 4, 2023	12	-	1,646,790	1,646,790	-	-	-	-	-	
April 28, 2022	2 July 28, 2022	3	-	2,830,380	2,830,380	-	-	-	-	-	
May 19, 2022	May 18, 2023	12	-	856,955	856,955	-	-	-	-	-	
June 2, 2022	December 1, 2022	6	-	20,400,000	20,400,000	-	-	-	-	-	
June 2, 2022	June 1, 2023	12	-	2,398,260	2,398,260	-	-	-	-	-	

NBP MONEY MARKET FUND

Issue date	Maturity date	Tenor in months	Face value				Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Market value as a percentage of	
			As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023				total investments of the Fund	net assets of the Fund
Rupees in '000									%		
June 2, 2022	August 25, 2022	3	-	18,731,000	18,731,000	-	-	-	-	-	
June 16, 2022	September 8, 2022	3	-	20,000,000	20,000,000	-	-	-	-	-	
June 30, 2022	September 22, 2022	3	-	64,694,000	64,694,000	-	-	-	-	-	
June 30, 2022	June 29, 2023	12	-	63,070	63,070	-	-	-	-	-	
July 14, 2022	October 6, 2022	3	-	44,100,000	44,100,000	-	-	-	-	-	
July 14, 2022	July 13, 2023	12	-	2,454,355	-	2,454,355	2,437,443	2,436,460	(983)	4.67%	
July 28, 2022	October 20, 2022	3	-	380,990,000	380,990,000	-	-	-	-	-	
July 28, 2022	January 26, 2023	6	-	4,740,000	4,740,000	-	-	-	-	-	
August 11, 2022	November 3, 2022	3	-	19,784,300	19,784,300	-	-	-	-	-	
August 11, 2022	February 9, 2023	6	-	100,000	100,000	-	-	-	-	-	
August 25, 2022	November 17, 2022	3	-	13,970,000	13,970,000	-	-	-	-	-	
August 25, 2022	February 23, 2023	6	-	2,000,000	2,000,000	-	-	-	-	-	
September 8, 2022	December 1, 2022	3	-	24,985,000	24,985,000	-	-	-	-	-	
September 22, 2022	December 15, 2022	3	-	8,951,600	8,951,600	-	-	-	-	-	
October 6, 2022	April 6, 2023	6	-	9,302,615	9,302,615	-	-	-	-	-	
October 6, 2022	December 29, 2022	3	-	22,551,850	22,551,850	-	-	-	-	-	
October 20, 2022	January 12, 2023	3	-	112,437,300	112,437,300	-	-	-	-	-	
October 20, 2022	April 21, 2023	6	-	8,939,700	8,939,700	-	-	-	-	-	
November 3, 2022	May 4, 2023	6	-	4,943,505	4,943,505	-	-	-	-	-	
November 3, 2022	January 26, 2023	3	-	19,906,860	19,906,860	-	-	-	-	-	
November 17, 2022	February 9, 2023	3	-	41,617,400	41,617,400	-	-	-	-	-	
November 17, 2022	May 18, 2023	6	-	355,535	355,535	-	-	-	-	-	
December 1, 2022	June 1, 2023	6	-	8,000	8,000	-	-	-	-	-	
December 1, 2022	February 23, 2023	3	-	2,735,425	2,735,425	-	-	-	-	-	
December 15, 2022	March 9, 2023	3	-	14,300,000	14,300,000	-	-	-	-	-	
December 15, 2022	June 15, 2023	6	-	4,000	4,000	-	-	-	-	-	
December 29, 2022	April 6, 2023	3	-	90,200,000	90,200,000	-	-	-	-	-	
January 4, 2023	March 29, 2023	3	-	35,234,460	35,234,460	-	-	-	-	-	
January 12, 2023	April 6, 2023	3	-	15,000,000	15,000,000	-	-	-	-	-	
January 26, 2023	April 20, 2023	3	-	42,420,100	42,420,100	-	-	-	-	-	
February 9, 2023	May 4, 2023	3	-	10,577,400	10,577,400	-	-	-	-	-	
February 23, 2023	May 18, 2023	3	-	21,000	21,000	-	-	-	-	-	
March 9, 2023	June 1, 2023	3	-	167,512,675	167,512,675	-	-	-	-	-	
March 27, 2023	June 15, 2023	3	-	4,887,000	4,887,000	-	-	-	-	-	
March 27, 2023	September 21, 2023	6	-	7,250,000	7,250,000	-	-	-	-	-	
April 6, 2023	June 22, 2023	3	-	100,648,340	100,648,340	-	-	-	-	-	
April 20, 2023	July 13, 2023	3	-	5,679,640	-	5,679,640	5,640,207	5,638,230	(1,977)	10.81%	
May 4, 2023	July 25, 2023	3	-	5,546,000	-	5,546,000	5,468,942	5,465,783	(3,159)	10.48%	
May 18, 2023	August 10, 2023	3	-	1,000,000	-	1,000,000	976,854	976,030	(824)	1.87%	
June 1, 2023	August 24, 2023	3	-	600,000	-	600,000	581,305	580,687	(617)	1.11%	
June 15, 2023	September 7, 2023	3	-	21,235,000	-	21,235,000	20,406,135	20,378,869	(27,267)	39.06%	
June 22, 2023	September 21, 2023	3	-	5,150,000	-	5,150,000	4,908,722	4,901,049	(7,673)	9.39%	
Total as at June 30, 2023						40,419,608	40,377,108	42,500	77.39%	59.68%	
Total as at June 30, 2022						-	-	-	-	-	

5.2 Letters of placement

Name of the investee company	Rating	Maturity date	Profit rate	Amount placed		As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation	Market value as a percentage of	
				Purchased during the year	Matured during the year					total investments of the Fund	net assets of the Fund
						(Rupees in '000)			(%)		
DEVELOPMENT FINANCE INSTITUTIONS											
PAIR Investment Company	AA, PACRA	July 22, 2022	15.15%	2,500,000	2,500,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	July 15, 2022	13.50%	5,000,000	5,000,000	-	-	-	-	-	-
Pak Brunei Investment Company	AA+, VS	August 15, 2022	15.00%	1,000,000	1,000,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	July 29, 2022	15.00%	1,800,000	1,800,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	August 15, 2022	14.75%	2,000,000	2,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	August 23, 2022	14.75%	3,000,000	3,000,000	-	-	-	-	-	-
Askari Bank Limited	AA+, PACRA	July 22, 2022	14.10%	4,000,000	4,000,000	-	-	-	-	-	-
Askari Bank Limited	AA+, PACRA	July 29, 2022	14.25%	4,000,000	4,000,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	August 5, 2022	15.00%	2,500,000	2,500,000	-	-	-	-	-	-
Askari Bank Limited	AA+, PACRA	July 29, 2022	14.15%	1,400,000	1,400,000	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VS	July 29, 2022	14.75%	5,000,000	5,000,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	August 19, 2022	15.05%	500,000	500,000	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VS	August 5, 2022	14.70%	5,400,000	5,400,000	-	-	-	-	-	-
Askari Bank Limited	AA+, PACRA	August 12, 2022	14.70%	5,000,000	5,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	August 24, 2022	14.87%	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	August 24, 2022	14.90%	3,000,000	3,000,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	August 23, 2022	15.50%	700,000	700,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	August 25, 2022	15.50%	700,000	700,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	August 25, 2022	14.85%	2,000,000	2,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VS	August 19, 2022	14.85%	5,000,000	5,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	August 25, 2022	14.75%	500,000	500,000	-	-	-	-	-	-
Pak Brunei Investment Company	AA+, VS	August 19, 2022	15.06%	1,000,000	1,000,000	-	-	-	-	-	-
Askari Bank Limited	AA+, PACRA	August 24, 2022	15.05%	4,000,000	4,000,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	August 26, 2022	15.00%	2,550,000	2,550,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	August 26, 2022	15.25%	3,000,000	3,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VS	August 26, 2022	15.30%	5,000,000	5,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	September 2, 2022	15.00%	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	September 1, 2022	15.10%	2,011,392	2,011,392	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	September 2, 2022	15.10%	3,211,022	3,211,022	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	September 2, 2022	15.10%	500,000	500,000	-	-	-	-	-	-
Askari Bank Limited	AA+, PACRA	September 1, 2022	15.00%	5,000,000	5,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	September 2, 2022	15.15%	3,003,760	3,003,760	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	September 2, 2022	15.10%	3,000,000	3,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VS	September 2, 2022	15.15%	6,000,000	6,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	September 9, 2022	15.15%	2,017,217	2,017,217	-	-	-	-	-	-
Askari Bank Limited	AA+, PACRA	September 9, 2022	15.10%	6,000,000	6,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	September 9, 2022	15.15%	2,000,000	2,000,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	September 9, 2022	15.10%	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	September 9, 2022	15.10%	3,222,977	3,222,977	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	September 9, 2022	15.10%	3,000,000	3,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VS	September 9, 2022	15.10%	6,000,000	6,000,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	September 13, 2022	15.10%	2,000,000	2,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VS	September 14, 2022	15.10%	6,000,000	6,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	September 16, 2022	15.10%	4,500,000	4,500,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	September 16, 2022	15.10%	2,400,000	2,400,000	-	-	-	-	-	-
Askari Bank Limited	AA+, PACRA	September 15, 2022	15.10%	3,000,000	3,000,000	-	-	-	-	-	-
Pak Brunei Investment Company	AA+, VS	September 14, 2022	15.10%	3,000,000	3,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VS	September 16, 2022	15.20%	6,000,000	6,000,000	-	-	-	-	-	-
Pak Brunei Investment Company	AA+, VS	September 15, 2022	15.15%	3,000,000	3,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VS	September 16, 2022	15.15%	1,500,000	1,500,000	-	-	-	-	-	-

NBP MONEY MARKET FUND

Name of the investee company	Rating	Maturity date	Profit rate	Amount placed		As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation	Market value as a percentage of			
				Purchased during the year	Matured during the year					total investments of the Fund	net assets of the Fund		
										(Rupees in '000)		(%)	
PAIR Investment Company	AA, PACRA	October 6, 2022	15.25%	1,000,000	1,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	October 11, 2022	15.25%	2,000,000	2,000,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	September 30, 2022	15.17%	2,000,000	2,000,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	September 30, 2022	15.10%	5,000,000	5,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	September 30, 2022	15.18%	2,000,000	2,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	October 7, 2022	15.20%	5,000,000	5,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	October 14, 2022	15.20%	2,000,000	2,000,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	October 14, 2022	15.15%	5,000,000	5,000,000	-	-	-	-	-	-		
Pak Brunei Investment Company	AA+, VIS	October 14, 2022	15.15%	2,500,000	2,500,000	-	-	-	-	-	-		
Askari Bank Limited	AA+, PACRA	October 14, 2022	15.13%	5,000,000	5,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	October 14, 2022	15.15%	1,500,000	1,500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	October 21, 2022	15.15%	500,000	500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	October 28, 2022	15.15%	500,000	500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	November 4, 2022	15.25%	2,000,000	2,000,000	-	-	-	-	-	-		
Askari Bank Limited	AA+, PACRA	October 28, 2022	15.10%	5,500,000	5,500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	November 4, 2022	15.15%	500,000	500,000	-	-	-	-	-	-		
Pak Brunei Investment Company	AA+, VIS	October 21, 2022	15.35%	3,500,000	3,500,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	October 28, 2022	15.20%	2,000,000	2,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	October 28, 2022	15.20%	2,500,000	2,500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	November 11, 2022	15.20%	2,000,000	2,000,000	-	-	-	-	-	-		
Pak Brunei Investment Company	AA+, VIS	October 28, 2022	15.20%	835,000	835,000	-	-	-	-	-	-		
Pak Brunei Investment Company	AA+, VIS	November 7, 2022	15.15%	2,680,000	2,680,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	November 4, 2022	15.15%	5,500,000	5,500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	November 4, 2022	15.25%	3,500,000	3,500,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	November 11, 2022	15.25%	1,500,000	1,500,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	November 11, 2022	15.21%	5,515,980	5,515,980	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	November 11, 2022	15.15%	500,000	500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	November 18, 2022	15.25%	2,000,000	2,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	November 11, 2022	15.23%	3,500,000	3,500,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	November 18, 2022	15.21%	5,532,071	5,532,071	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	November 18, 2022	15.15%	500,000	500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	November 25, 2022	15.20%	2,000,000	2,000,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	November 25, 2022	15.21%	4,000,000	4,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	November 25, 2022	15.15%	500,000	500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	December 2, 2022	15.25%	2,000,000	2,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	December 2, 2022	15.20%	500,000	500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	December 9, 2022	15.20%	2,000,000	2,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	December 16, 2022	16.22%	2,500,000	2,500,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	December 9, 2022	16.17%	2,500,000	2,500,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	December 16, 2022	16.00%	2,500,000	2,500,000	-	-	-	-	-	-		
Askari Bank Limited	AA+, PACRA	December 16, 2022	16.12%	2,500,000	2,500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	December 23, 2022	16.20%	2,000,000	2,000,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	December 23, 2022	16.15%	3,000,000	3,000,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	December 23, 2022	16.12%	2,000,000	2,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	December 30, 2022	16.22%	2,000,000	2,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	December 23, 2022	16.15%	1,600,000	1,600,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	January 6, 2023	16.20%	2,000,000	2,000,000	-	-	-	-	-	-		
Askari Bank Limited	AA+, PACRA	December 29, 2022	16.10%	2,500,000	2,500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	December 30, 2022	15.15%	6,000,000	6,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	January 13, 2023	16.25%	2,000,000	2,000,000	-	-	-	-	-	-		
Askari Bank Limited	AA+, PACRA	January 24, 2023	15.75%	4,000,000	4,000,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	January 6, 2023	15.90%	2,000,000	2,000,000	-	-	-	-	-	-		

NBP MONEY MARKET FUND

Name of the investee company	Rating	Maturity date	Profit rate	Amount placed		As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation	Market value as a percentage of			
				Purchased during the year	Matured during the year					total investments of the Fund	net assets of the Fund		
										(Rupees in '000)		(%)	
Pak Oman Investment Company Limited	AA+, VIS	January 24, 2023	15.90%	3,000,000	3,000,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	January 24, 2023	15.75%	5,000,000	5,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	January 24, 2023	16.25%	60,000	60,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	January 25, 2023	17.10%	50,000	50,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	January 13, 2023	15.60%	5,000,000	5,000,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	January 27, 2023	15.50%	1,200,000	1,200,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	January 27, 2023	16.10%	2,000,000	2,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	January 27, 2023	15.90%	2,000,000	2,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	February 3, 2023	17.10%	5,000,000	5,000,000	-	-	-	-	-	-		
Askari Bank Limited	AA+, PACRA	February 28, 2023	16.90%	1,500,000	1,500,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	March 27, 2023	17.05%	5,000,000	5,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	February 3, 2023	17.05%	4,000,000	4,000,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	February 3, 2023	17.00%	6,500,000	6,500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	February 3, 2023	16.90%	1,500,000	1,500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	February 10, 2023	17.05%	2,000,000	2,000,000	-	-	-	-	-	-		
Askari Bank Limited	AA+, PACRA	March 28, 2023	17.09%	5,000,000	5,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	February 17, 2023	17.05%	700,000	700,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	February 17, 2023	17.10%	2,000,000	2,000,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	March 17, 2023	16.75%	3,000,000	3,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	February 9, 2023	16.85%	1,500,000	1,500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	February 14, 2023	16.60%	500,000	500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	February 15, 2023	16.25%	500,000	500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	February 24, 2023	17.10%	2,700,000	2,700,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	February 17, 2023	17.10%	5,000,000	5,000,000	-	-	-	-	-	-		
Pak Brunei Investment Company	AA+, VIS	February 16, 2023	16.15%	500,000	500,000	-	-	-	-	-	-		
Pak Brunei Investment Company	AA+, VIS	February 17, 2023	16.10%	800,000	800,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	March 3, 2023	17.05%	2,600,000	2,600,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	February 21, 2023	17.10%	5,500,000	5,500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	February 22, 2023	16.45%	5,500,000	5,500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	February 23, 2023	16.30%	4,500,000	4,500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	February 24, 2023	17.00%	5,500,000	5,500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	March 2, 2023	17.10%	700,000	700,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	March 10, 2023	20.15%	2,600,000	2,600,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	March 17, 2023	20.05%	5,000,000	5,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	March 17, 2023	20.15%	2,600,000	2,600,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	April 7, 2023	19.80%	2,600,000	2,600,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	April 7, 2023	19.25%	3,000,000	3,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	March 31, 2023	19.30%	5,000,000	5,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	April 5, 2023	19.25%	5,000,000	5,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	April 10, 2023	21.00%	500,000	500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	April 7, 2023	20.95%	5,000,000	5,000,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	April 14, 2023	20.75%	3,000,000	3,000,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	April 17, 2023	21.00%	500,000	500,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	April 26, 2023	21.00%	400,000	400,000	-	-	-	-	-	-		
PAIR Investment Company	AA, PACRA	April 28, 2023	21.05%	2,600,000	2,600,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	April 14, 2023	20.75%	5,000,000	5,000,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	April 14, 2023	20.85%	2,000,000	2,000,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	April 14, 2023	21.10%	2,500,000	2,500,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	May 2, 2023	21.35%	2,500,000	2,500,000	-	-	-	-	-	-		
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	May 5, 2023	21.30%	3,500,000	3,500,000	-	-	-	-	-	-		
Zarai Taraqati Bank Limited	AAA, VIS	April 28, 2023	21.15%	5,000,000	5,000,000	-	-	-	-	-	-		
Pak Oman Investment Company Limited	AA+, VIS	April 28, 2023	20.85%	6,000,000	6,000,000	-	-	-	-	-	-		

NBP MONEY MARKET FUND

Name of the investee company	Rating	Maturity date	Profit rate	Amount placed		As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation	Market value as a percentage of	
				Purchased during the year	Matured during the year					total investments of the Fund	net assets of the Fund
----- (Rupees in '000) -----										----- (%) -----	
PAIR Investment Company	AA, PACRA	May 5, 2023	21.05%	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	May 12, 2023	21.10%	2,519,010	2,519,010	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	May 15, 2023	21.20%	3,530,637	3,530,637	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	May 12, 2023	21.10%	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	May 19, 2023	21.00%	2,533,572	2,533,572	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	May 26, 2023	21.10%	2,700,000	2,700,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	May 22, 2023	20.50%	3,551,144	3,551,144	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	May 26, 2023	21.05%	2,543,776	2,543,776	-	-	-	-	-	-
Pak Brunei Investment Company	AA+, VIS	May 26, 2023	21.25%	3,500,000	3,500,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	May 30, 2023	21.10%	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	June 12, 2023	21.00%	3,000,000	3,000,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	June 13, 2023	21.15%	500,000	500,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	June 21, 2023	21.50%	4,300,000	4,300,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	June 23, 2023	21.80%	5,000,000	5,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	June 26, 2023	21.00%	6,700,000	6,700,000	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	June 26, 2023	21.00%	210,000	210,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	June 27, 2023	21.00%	6,711,564	6,711,564	-	-	-	-	-	-
PAIR Investment Company	AA, PACRA	June 27, 2023	21.00%	210,000	210,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	July 5, 2023	22.50%	6,715,426	-	6,715,426	6,715,426	6,715,426	-	12.87%	9.93%
Total as at June 30, 2023							6,715,426	6,715,426	-	12.87%	9.93%
Total as at June 30, 2022							-	-	-	-	-

5.3 Term deposit receipts

Name of the bank	Rating	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Matured during the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation	Market value as a percentage of	
										total investments of the Fund	net assets of the Fund
----- (Rupees in '000) -----										----- % -----	
COMMERCIAL BANKS											
Bank Alfalah Limited	AA+, PACRA	July 7, 2022	17.00%	1,000,000	-	1,000,000	-	-	-	-	-
Bank Alfalah Limited	AA+, PACRA	July 13, 2022	14.08%	-	1,000,000	1,000,000	-	-	-	-	-
Bank Alfalah Limited	AA+, PACRA	Oct 3, 2022	16.55%	-	3,000,000	3,000,000	-	-	-	-	-
Bank Alfalah Limited	AA+, PACRA	Mar 22, 2023	20.40%	-	3,000,000	3,000,000	-	-	-	-	-
Bank Alfalah Limited	AA+, PACRA	Apr 7, 2023	20.40%	-	3,000,000	3,000,000	-	-	-	-	-
Bank Alfalah Limited	AA+, PACRA	June 27, 2023	21.60%	-	5,000,000	5,000,000	-	-	-	-	-
Bank Alfalah Limited	AA+, PACRA	July 4, 2023	22.50%	-	5,082,849	-	5,082,849	5,082,849	-	9.74%	7.51%
Total as at June 30, 2023							5,082,849	5,082,849	-	9.74%	7.51%
Total as at June 30, 2022							1,000,000	1,000,000	-	100.00%	1.96%

		2023	2022
	Note	----- Rupees in '000 -----	
5.4	Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		
	Market value of investments	5.1 40,377,108	-
	Less: carrying value of investments	5.1 (40,419,608)	-
		<u>(42,500)</u>	<u>-</u>
6	PROFIT RECEIVABLE		
	Profit receivable on bank balances	332,852	243,882
	Profit receivable on term deposit receipts	12,533	9,781
	Profit receivable on letters of placement	16,559	-
		<u>361,944</u>	<u>253,663</u>
7	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	Security deposit with Central Depository Company Limited*	100	100
	Prepaid annual rating fee	315	312
		<u>415</u>	<u>412</u>
	*related party balance		
8	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY		
	Remuneration payable to the Management Company	8.1 32,809	5,276
	Sindh sales tax payable on remuneration of the Management Company	8.2 4,265	686
	Reimbursement of allocated expenses payable	8.3 19,771	11,640
	Reimbursement of selling and marketing expenses payable	8.4 73,258	10,714
	Sales load and transfer load payable	4,640	5,147
	Sindh sales tax payable on sales load	603	666
	Federal Excise Duty on remuneration of the Management Company and sales load	8.5 44,418	44,418
	ADC charges payable including Sindh sales tax	327	184
		<u>180,091</u>	<u>78,731</u>
8.1	As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2.2% of net income subject to floor and capping of 0.30% and 1% per annum of the average net assets of the Fund from July 1, 2022 to November 30, 2022 and 3% of net income subject to floor and capping of 0.40% and 1% per annum of the average net assets of the Fund from December 1, 2022 to June 30, 2023 (2022: 1% of net income subject to floor and capping of 0.15% and 1% per annum of the average net assets of the Fund). The remuneration is payable to the Management Company monthly in arrears.		
8.2	During the year, an amount of Rs. 35.915 million (2022: Rs. 5.875 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).		
8.3	In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).		

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

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

- 8.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008, subject to total expense being lower than actual expense incurred.

2023							2022				
From July 1, 2022 to Sept 25, 2022	From Sept 25, 2022 to Nov 30, 2022	From Dec 1, 2022 to Dec 7, 2022	From Dec 8, 2022 to Mar 9, 2023	From Mar 10, 2023 to Apr 6, 2023	From Apr 7, 2023 to Jun 27, 2023	From Jun 28, 2023 to Jun 30, 2023	From July 1, 2021 to July 7, 2021	From July 8, 2021 to July 25, 2021	From July 26, 2021 to April 12, 2022	From April 13, 2022 to May 8, 2022	From May 9, 2022 to June 30, 2022
0.12% of average annual net assets	0.15% of average annual net assets	0.18% of average annual net assets	0.25% of average annual net assets	0.36% of average annual net assets	0.47% of average annual net assets	0.48% of average annual net assets	0.15% of average annual net assets	0% of average annual net assets	0.03% of average annual net assets	0.08% of average annual net assets	0.15% of average annual net assets

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs. 44.418 million (2022: Rs. 44.418 million) is being retained in these financial statements of the Fund as the matter is pending before the SHC. Had the provision for FED not been made, the net asset value per unit of the Fund as at June 30, 2023 would have been higher by Re 0.0066 (2022: Re 0.0086) per unit.

9	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	2023	2022
			Rupees in '000	
	Trustee fee payable	9.1	2,896	1,773
	Sindh sales tax payable on trustee fee	9.2	376	230
			<u>3,272</u>	<u>2,003</u>

- 9.1 The Trustee is entitled to monthly remuneration of 0.055% (2022: 0.065% from July 1, 2021 till September 30, 2021 and 0.055% from October 1, 2021 till June 30, 2022) per annum of net assets for services rendered to the Fund under the provisions of the Trust Deed.

- 9.2 During the year, an amount of Rs. 4.252 million (2022: Rs. 2.181 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%).

		2023	2022
		----- Rupees in '000 -----	
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	10.1 <u>11,893</u>	<u>5,882</u>
10.1	Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2022: 0.02%) of the average annual net assets of the Fund.		
11	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	840	772
	Withholding tax	77,395	41,064
	Capital gain tax	8,158	19,248
	Legal and professional charges payable	134	90
	Bank charges payable	55	183
	Printing charges payable	77	58
	Brokerage payable	97	-
	Other payables	39,377	7,189
		<u>126,133</u>	<u>68,604</u>
12	CONTINGENCIES AND COMMITMENTS		
	There are no contingencies and commitments as at June 30, 2023 and June 30, 2022.		
13	NUMBER OF UNITS IN ISSUE		
	Total units in issue at the beginning of the year	5,146,177,660	2,184,470,844
	Units issued during the year	28,010,198,502	18,664,543,232
	Less: units redeemed during the year	<u>(26,377,227,244)</u>	<u>(15,702,836,415)</u>
	Total units in issue at the end of the year	<u>6,779,148,918</u>	<u>5,146,177,660</u>
14	NET ASSET VALUE PER UNIT		
	The net asset value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.		
15	AUDITORS' REMUNERATION		
	Annual audit fee	516	435
	Half yearly review	201	170
	Other certification	100	100
	Out of pocket and Sindh sales tax expenses	108	106
		<u>925</u>	<u>811</u>
16	TOTAL EXPENSE RATIO		
	The total expense ratio (TER) of the Fund as at June 30, 2023 is 1.01% (2022: 0.45%) which includes 0.09% (2022: 0.05%) representing government levy including sales tax and the SECP fee. The prescribed limit for the ratio is 2% (2022: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an money market scheme.		
17	TAXATION		
	The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the		

year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manners as explained above, no provision for taxation has been made in these financial statements.

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

18 EARNINGS PER UNIT

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

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

19.1 Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

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

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

19.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

19.5 Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company subject to the maximum prescribed Total Expense Ratio.

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

	2023	2022
	----- Rupees in '000 -----	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	276,267	45,195
Sindh sales tax on remuneration of the Management Company	35,915	5,875
Reimbursement of allocated expenses	74,334	36,763
Reimbursement of selling and marketing expenses	158,013	16,898
Sales load and transfer load	5,243	6,064
ADC charges including Sindh sales tax	327	168
Dividend re-invest units issued: 5,684,911 units (2022: 1,046,115 units)	56,484	10,359
Units issued: 336,749,417 units (2022: 162,302,160 units)	3,348,231	1,607,377
Units redeemed: 324,356,787 units (2022: 147,421,388 units)	3,253,698	1,467,850

	2023	2022
	----- Rupees in '000 -----	
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	32,707	16,781
Sindh sales tax on remuneration of the Trustee	4,252	2,181
Dividend re-invest units issued: 4,703,278 units (2022: 1,051,974 units)	46,731	10,416
Units issued: 35,244,951 units (2022: 25,256,122 units)	350,001	250,000
Units redeemed: Nil (2022: 26,308,096 units)	-	262,273
Employees of the Management Company		
Dividend re-invest units issued: 641,322 units (2022: 144,550 units)	6,372	1,431
Units issued: 105,574,433 units (2022: 70,501,865 units)	1,050,811	699,154
Units redeemed: 113,036,135 units (2022: 57,309,178 units)	1,134,092	571,735
NBP Financial Sector Income Fund		
Sale of Market Treasury Bills	-	984,162
National Bank of Pakistan - Parent Company		
Purchase of Market Treasury Bills	2,773,263	13,250,585
Profit on bank balances	5,389	123,555
Dr. Amjad Waheed - Chief Executive Officer of the Management Company		
Dividend re-invest units issued: 41,687 units (2022: 40,586 units)	414	402
Units issued: 12,510,936 units (2022: 5,051,007 units)	124,532	50,027
Units redeemed: 10,734,536 units (2022: 5,550,899 units)	107,312	55,254
Humayun Bashir - Director of the Management Company*		
Dividend re-invest units issued: Nil (2022: 74,339 units)	-	736
Units issued: Nil (2022: 9,641,995 units)	-	95,453
Units redeemed: Nil (2022: 5,561,270 units)	-	55,206
Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer of the Management Company		
Dividend re-invest units issued: 12,082 units (2022: Nil)	120	-
Units issued: 1,906,778 units (2022: Nil)	18,969	-
Units redeemed: 1,807,855 units (2022: Nil)	18,071	-
Taurus Securities Limited - subsidiary of Parent company		
Dividend re-invest units issued: 86,196 units (2022: Nil)	856	-
Units issued: 5,034,703 units (2022: Nil)	50,000	-
Units redeemed: 5,120,899 units (2022: Nil)	51,257	-
Imran Zafar - Director of the Management Company		
Dividend re-invest units issued: 58,110 units (2022: 48,215 units)	577	477
Units issued: 1,208,347 units (2022: 1,212,306 units)	12,000	12,000
Units redeemed: 722,340 units (2022: 1,377,482 units)	7,226	13,704
National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company		
Units issued: 20,194,145 units (2022: 25,886,654 units)	200,618	256,260
Units redeemed: 20,681,601 units (2022: 25,459,362 units)	207,777	254,227
Fauji Fertilizer Company Limited - common directorship		
Dividend re-invest units issued: 41,988,679 units (2022: 3,297,625 units)	417,206	32,649
Units issued: 7,796,832,065 units (2022: 7,252,213,481 units)	77,625,262	71,831,177
Units redeemed: 7,666,015,475 units (2022: 6,449,960,866 units)	76,648,241	64,368,509

	2023	2022
	----- Rupees in '000 -----	
Reliance Enterprises - a related party		
Dividend re-invest units issued: 473 units (2022: 280 units)	5	3
Haider Amjad - a related party		
Dividend re-invest units issued: 13,345 units (2022: Nil)	133	-
Units issued: 1,028,463 units (2022: Nil)	10,227	-
Units redeemed: 891,508 units (2022: Nil)	8,922	-
Rohma Amjad - a related party		
Dividend re-invest units issued: 1,862 units (2022: Nil)	19	-
Units issued: 453,102 units (2022: Nil)	4,506	-
Units redeemed: 59,851 units (2022: Nil)	600	-
Reeha Amjad - a related party		
Dividend re-invest units issued: 10,417 units (2022: Nil)	104	-
Units issued: 635,673 unit (2022: Nil)	6,315	-
Units redeemed: 201,446 units (2022: Nil)	2,020	-
Baltoro Partners (Pvt.) Limited - common directorship		
Dividend re-invest units issued: 8,047 units (2022: 4,523 units)	80	45
Units issued: 121,399 unit (2022: 1 unit)**	1,206	-
Units redeemed: Nil (2022: 251,446 units)	-	2,500
Telenor Microfinance Bank Limited - common directorship		
Purchase of Market Treasury Bills	8,426,233	-
Portfolios managed by the Management Company		
Dividend re-invest units issued: 3,653,783 units (2022: 6,811,917 units)	36,304	67,451
Units issued: 1,393,518,543 units (2022: 1,018,016,128 units)	13,856,157	10,094,134
Units redeemed: 1,669,384,085 units (2022: 729,578,411 units)	16,758,513	7,285,764
Sale of Market Treasury Bills	-	1,029,311
Purchase of Market Treasury Bills	1,103,449	495,471
CDC Trustee NBP Cash Plan I - a related party		
Units issued: 725,867,574 units (2022: Nil)	7,209,380	-
Units redeemed: 228,917,668 units (2022: Nil)	2,287,400	-
CDC Trustee NBP Cash Plan II - a related party		
Units issued: 1,051,244,570 units (2022: Nil)	10,441,110	-
Units redeemed: 531,081,527 units (2022: Nil)	5,315,712	-
19.7 Amounts outstanding as at year end are as follows:		
NBP Fund Management Limited - the Management Company		
Remuneration payable to the Management Company	32,809	5,276
Sindh sales tax on remuneration of the Management Company	4,265	686
Reimbursement of allocated expenses payable	19,771	11,640
Reimbursement of selling and marketing expenses payable	73,258	10,714
Sales load and transfer load payable	4,640	5,147
Sindh sales tax payable on sales load	603	666
Federal Excise Duty on remuneration of the Management Company and sales load	44,418	44,418
ADC charges payable including Sindh sales tax	327	184
Units held: 55,014,546 units (2022: 36,937,005 units)	549,028	366,825

	2023	2022
	----- Rupees in '000 -----	
Central Depository Company of Pakistan Limited - the Trustee		
Trustee remuneration payable	2,896	1,773
Sindh sales tax payable on remuneration of the Trustee	376	230
Security deposit	100	100
Units held: 39,948,229 units (2022: Nil)	398,671	-
National Bank of Pakistan - Parent of the Management Company		
Bank balances	33,098	3,735
Profit receivable on bank balances	3,596	218
BankIslami Pakistan Limited - common directorship*		
Bank balances	-	3,936
Profit receivable on bank balances	-	1
Dr. Amjad Waheed - Chief Executive Officer of the Management Company		
Units held: 2,376,934 units (2022: 558,846 units)	23,721	5,550
Humayun Bashir - Director of the Management Company*		
Units held: Nil (2022: 4,155,063 units)	-	41,264
Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer of the Management Company		
Units held: 111,005 units (2022: Nil)	1,108	-
Imran Zafar - Director of Management Company		
Units held: 933,538 units (2022: 389,422 units)	9,316	3,867
Employees of the Management Company		
Units held: 10,229,426 units (2022: 17,049,795 units)	102,087	169,323
National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company		
Units held: 1,856,870 units (2022: 2,344,327 units)	18,531	23,282
Reliance Enterprises - a related party		
Units held: 3,763 units (2022: 3,290 units)	38	33
Fauji Fertilizer Company Limited - common directorship / unit holders with more than 10% holding		
Units held: 978,355,511 units (2022: 805,550,241 units)	9,763,694	8,000,000
Haider Amjad - a related party		
Units held: 150,299 units (2022: Nil)	1,500	-
Reeha Amjad - a related party		
Units held: 466,896 units (2022: Nil)	4,659	-
Rohma Amjad - a related party		
Units held: 395,113 units (2022: Nil)	3,943	-
Portfolios managed by the Management Company		
Units held: 63,740,762 units (2022: 343,519,523 units)	636,114	3,411,525

	2023	2022
	----- Rupees in '000 -----	
Baltoro Partners (Pvt.) Limited - common directorship		
Units held: 133,497 units (2022: 4,051 units)	1,332	40
CDC Trustee NBP Cash Plan I - a related party		
Units held: 496,949,906 units (2022: Nil)	4,959,411	-
CDC Trustee NBP Cash Plan II - a related party		
Units held: 520,163,043 units (2022: Nil)	5,191,071	-

* Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2023.

** Nil due to rounding off

20	CASH AND CASH EQUIVALENTS	Note	2023	2022
			----- Rupees in '000 -----	
	Bank balances	4	15,498,778	50,077,359
	Government Securities - Market Treasury Bills*	5.1	40,377,108	-
	Letters of placement	5.2	6,715,426	-
	Term deposit receipts	5.3	5,082,849	1,000,000
			67,674,161	51,077,359

*original maturity of 3 months or less

21 FINANCIAL INSTRUMENTS BY CATEGORY

	----- 2023 -----		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----		
Financial assets			
Bank balances	-	15,498,778	15,498,778
Investments	52,175,383	-	52,175,383
Profit receivable	-	361,944	361,944
Deposits	-	100	100
Receivable against transfer of units	-	48,335	48,335
	52,175,383	15,909,157	68,084,540
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	180,091	180,091
Payable to the Central Depository Company of Pakistan Limited - the Trustee	-	3,272	3,272
Payable against redemption of units	-	109,925	109,925
Accrued expenses and other liabilities	-	40,580	40,580
	-	333,868	333,868

	----- 2022 -----		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----		
Financial assets			
Bank balances	-	50,077,359	50,077,359
Investments	1,000,000	-	1,000,000
Profit receivable	-	253,663	253,663
Deposits	-	100	100
Receivable against transfer of units	-	10,466	10,466
	<u>1,000,000</u>	<u>50,341,588</u>	<u>51,341,588</u>
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	78,731	78,731
Payable to the Central Depository Company of Pakistan Limited - the Trustee	-	2,003	2,003
Payable against redemption of units	-	79,629	79,629
Accrued expenses and other liabilities	-	8,292	8,292
	<u>-</u>	<u>168,655</u>	<u>168,655</u>

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

22.1 Market risk

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

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

Market risk comprises of three types of risks: 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 bank balances and term deposit receipts. 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 bank balances and term deposit receipts 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 0.206 million (2022: Rs 0.511 million).

(b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds market treasury bills 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 0.404 million (2022: Nil).

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

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:

----- 2023 -----						
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	10.00% -21.15%	15,498,430	-	-	348	15,498,778
Investments	13.50% - 22.20%	52,175,383	-	-	-	52,175,383
Profit receivable		-	-	-	361,944	361,944
Deposits		-	-	-	100	100
Receivable against transfer of units		-	-	-	48,335	48,335
		67,673,813	-	-	410,727	68,084,540
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	180,091	180,091
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	3,272	3,272
Payable against redemption of units		-	-	-	109,925	109,925
Accrued expenses and other liabilities		-	-	-	40,580	40,580
		-	-	-	333,868	333,868
On-balance sheet gap		67,673,813	-	-	76,859	
Total profit rate sensitivity gap		67,673,813	-	-		
Cumulative profit rate sensitivity gap		67,673,813	67,673,813	67,673,813		

----- 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	6.50% -18.28%	50,077,167	-	-	192	50,077,359
Investments	17.00%	1,000,000	-	-	-	1,000,000
Profit receivable		-	-	-	253,663	253,663
Deposits		-	-	-	100	100
Receivable against transfer of units		-	-	-	10,466	10,466
		51,077,167	-	-	264,421	51,341,588

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	78,731	78,731
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	2,003	2,003
Payable against redemption of units		-	-	-	79,629	79,629
Accrued expenses and other liabilities		-	-	-	8,292	8,292
		-	-	-	168,655	168,655

On-balance sheet gap

51,077,167	-	-	95,766
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Total profit rate sensitivity gap

51,077,167	-	-
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Cumulative profit rate sensitivity gap

51,077,167	51,077,167	51,077,167
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(ii) Currency risk

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

(iii) Price risk

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

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

22.2 Liquidity risk

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

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

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

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

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

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

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

180,091	-	-	-	-	-	180,091
3,272	-	-	-	-	-	3,272
109,925	-	-	-	-	-	109,925
39,740	840	-	-	-	-	40,580
333,028	840	-	-	-	-	333,868

Rupees in '000

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

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

78,731	-	-	-	-	-	78,731
2,003	-	-	-	-	-	2,003
79,629	-	-	-	-	-	79,629
7,520	772	-	-	-	-	8,292
167,883	772	-	-	-	-	168,655

Rupees in '000

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	15,498,778	15,498,778	50,077,359	50,077,359
Investments	52,175,383	52,175,383	1,000,000	1,000,000
Profit receivable	361,944	361,944	253,663	253,663
Deposits	100	100	100	100
Receivable against sale of units	48,335	48,335	10,466	10,466
	<u>68,084,540</u>	<u>68,084,540</u>	<u>51,341,588</u>	<u>51,341,588</u>

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

22.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2023	2022
Bank balances and accrued profit thereon		
AAA	0.21%	77.64%
AA+	23.03%	20.35%
AA-	0.02%	-
A+	-	0.02%
Letters of placement		
AAA	9.86%	-
Term deposit receipts		
AA+	7.48%	1.97%

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

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

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

ASSETS	2023			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
Financial assets 'at fair value through profit or loss'				
Investment in:				
Government securities - Market Treasury Bills	-	40,377,108	-	40,377,108
Letters of placement	-	6,715,426	-	6,715,426
Term deposit receipts*	-	5,082,849	-	5,082,849
	-	52,175,383	-	52,175,383

ASSETS	2022			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
Financial assets 'at fair value through profit or loss'				
Investment in:				
Government securities - Market Treasury Bills	-	-	-	-
Letters of placement	-	-	-	-
Term deposit receipts*	-	1,000,000	-	1,000,000
	-	1,000,000	-	1,000,000

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

24 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

25 UNIT HOLDING PATTERN OF THE FUND

Category	----- June 30, 2023 -----			----- June 30, 2022 -----		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	4,923	12,259,936	18.12%	4,562	11,978,908	23.44%
Associated companies and Directors	5	600,597	0.89%	6	440,787	0.86%
Insurance companies	3	343,033	0.51%	8	737,054	1.44%
Banks and DFIs	1	-	-*	1	-	-*
NBFCs	3	10,150,482	15.00%	1	-	-*
Retirement funds	101	4,045,895	5.98%	108	8,015,245	15.68%
Public limited companies	27	22,922,907	33.88%	22	14,805,630	28.97%
Others	210	17,330,691	25.62%	206	15,129,427	29.60%
	<u>5,273</u>	<u>67,653,541</u>	<u>100.00%</u>	<u>4,914</u>	<u>51,107,051</u>	<u>100.00%</u>

*Nil due to rounding off difference

26 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2023 % of commission paid	Name of broker	2022 % of commission paid
Optimus Markets (Private) Limited	25.08%	Magenta Capital (Private) Limited	31.45%
Bright Capital (Private) Limited	18.76%	Optimus Markets (Private) Limited	24.59%
Magenta Capital (Private) Limited	12.07%	Invest One Markets Limited	13.48%
Alfalah CLSA Securities (Private) Limited	10.61%	Bright Capital (Private) Limited	11.33%
Continental Exchange (Private) Limited	6.37%	Continental Exchange (Private) Limited	4.97%
Invest One Markets Limited	6.20%	Alfalah CLSA Securities (Private) Limited	4.50%
AKD Securities Limited	3.35%	BIPL Securites Limited	3.57%
BMA Capital Management Limited	2.95%	J.S Global Capital Limited	2.00%
Pearl Securities (Private) Limited	2.82%	C and M Management (Private) Limited	1.85%
Icon Securities (Private) Limited	2.24%	Pearl Securities (Private) Limited	0.94%

27 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	35
Asim Wahab Khan	Chief Investment Officer	CFA	17
Salman Ahmed (note 26.1)	Head of Fixed Income	CFA	18
Hassan Raza	Head of Research	ACCA / BSC / CFA	12
Usama Bin Razi	Senior Manager - Fixed Income	BE, MBA	19

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

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

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

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

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

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

29 GENERAL

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

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

30 DATE OF AUTHORISATION FOR ISSUE

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

Particulars	For the year ended June 30, 2023	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2018	For the year ended June 30, 2017
	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')
Net assets at the year / period ended (Rs. '000')	67,653,541	51,107,051	21,623,100	28,236,162	20,598,962	23,192,394	14,845,458
Net Income at the year / period ended (Rs. '000')	9,736,949	3,299,309	1,696,063	3,419,904	2,028,526	1,247,527	208,404
Net Asset Value per unit at the year / period ended (Rs.)	9.9797	9.9311	9.8986	9.8825	9.8687	10.4050	9.8585
Offer price per unit	10.0925	10.0433	10.0105	9.9383	9.9244	10.4638	9.9142
Redemption price per unit	9.9797	9.9311	9.8986	9.8825	9.8687	10.4050	9.8585
Ex - Highest offer price per unit (Rs.)	10.0925	10.0433	10.0105	9.9383	9.9244	10.4638	10.5062
Ex - Lowest offer price per unit (Rs.)	8.5791	9.0166	9.3318	8.7636	9.1122	9.9084	9.8985
Ex - Highest redemption price per unit (Rs.)	9.9797	9.9311	9.8986	9.8825	9.8687	10.4050	9.8985
Ex - Lowest redemption price per unit (Rs.)	8.4832	8.9158	9.2795	8.7636	9.0578	9.8528	9.2482
Fiscal Year Opening Ex Nav	8.4794	8.9140	9.2278	8.7606	9.0528	9.8513	9.2513
Total return of the fund	17.69%	11.41%	6.69%	12.77%	9.01%	5.62%	6.56%
Capital growth	1.78%	0.88%	0.36%	0.80%	0.47%	0.01%	-0.14%
Income distribution as a % of ex nav	15.91%	10.53%	6.33%	11.97%	8.54%	5.61%	6.70%
Income distribution as a % of par value	15.80%	10.42%	6.26%	11.82%	8.41%	5.53%	6.20%
Distribution							
Interim distribution per unit	1.5800	1.0419	0.6257	1.1816	0.7580	0.5531	0.6201
Final distribution per unit	-	-	-	-	0.0830	-	0.0073
Distribution dates							
Interim	28-Jul-22	28-Jul-21	28-Jul-20	30-Jul-19	-	-	-
Interim	30-Aug-22	26-Aug-21	28-Aug-20	29-Aug-19	-	-	-
Interim	28-Sep-22	28-Sep-21	28-Sep-20	28-Sep-19	-	-	-
Interim	27-Oct-22	26-Oct-21	27-Oct-20	29-Oct-19	-	-	-
Interim	29-Nov-22	26-Nov-21	26-Nov-20	28-Nov-19	-	-	-
Interim	27-Dec-22	28-Dec-21	23-Dec-20	27-Dec-19	-	-	-
Interim	26-Jan-23	27-Jan-22	27-Jan-21	28-Jan-20	21-Dec-18	-	-
Interim	28-Feb-23	24-Feb-22	24-Feb-21	27-Feb-20	29-Jan-19	-	-
Interim	29-Mar-23	29-Mar-22	26-Mar-21	27-Mar-20	27-Feb-19	-	-
Interim	27-Apr-23	27-Apr-22	27-Apr-21	29-Apr-20	29-Mar-19	-	-
Interim	30-May-23	26-May-22	26-May-21	29-May-20	26-Apr-19	-	-
Interim	21-Jun-23	24-Jun-22	23-Jun-21	26-Jun-20	30-May-19	4-Jul-18	19-Jun-17
Final	-	-	-	-	26-Jun-19	-	15-Sep-17
Average annual return of the Fund (launch date February 24' 2012)							
(Since inception to June 30, 2023)	9.30%						
(Since inception to June 30, 2022)		8.52%					
(Since inception to June 30, 2021)			8.22%				
(Since inception to June 30, 2020)				8.40%			
(Since inception to June 30, 2019)					7.82%		
(Since inception to June 30, 2018)						7.63%	
(Since inception to June 30, 2017)							8.01%
(Since inception to June 30, 2016)							
(Since inception to June 30, 2015)							
(Since inception to June 30, 2014)							
(Since inception to June 30, 2013)							
(Since inception to June 30, 2012)							
Weighted average portfolio duration	32 Days	1 Days	1 Days	22 Days	2 Days	1 Days	1 Days

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