

NBP SARMAYA IZAFI 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 Shahr-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited	MCB Islamic Bank Limited
JS Bank Limited	Faysal Bank Limited
Meezan Bank Limited	Soneri Bank Limited
Habib Bank Limited	Dubai Islamic Bank Limited
United Bank Limited	Telenor Microfinance Bank Limited
Bank Alfalah Limited	Bank Islami Pakistan Limited
Bank Al Habib Limited	U Microfinance Bank Limited
Askari Bank Limited	The Bank of Punjab
Habib Metropolitan Bank Limited	First Microfinance Bank Limited
Allied Bank Limited	
National Bank of Pakistan	

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



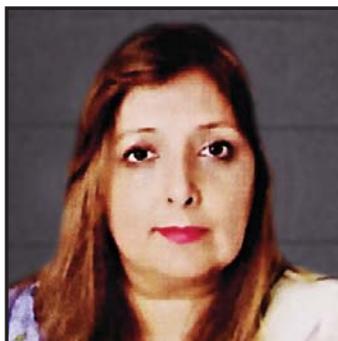
Mr. Tauqeer Mazhar
Director



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 Thirteenth Annual Report of **NBP Sarmaya Izafa Fund (NSIF)** for the year ended June 30, 2023.

Fund's Performance

FY23 was a lackluster year for equities as the benchmark KSE-100 Index remained flat, falling slightly by 88 points. However, during the year, the market remained very volatile and the Index exhibited large swings on both sides.

The stock market performance remained subdued during the outgoing year as investors' confidence remained fragile shaped by worsening political and macro-economic outlook. On economic front, the precarious situation on balance of payment (BOP) troubled investors. Though the current account deficit (CAD), that stood at USD 2.6 billion as against USD 17.5 billion last year was brought under control due to various administrative measures/restrictions, yet elevated external debt repayments of around USD 21 billion remained a cause of concern. Due to delay in meeting conditions of IMF, the program remained in abeyance and the external inflows dried up. Hence, SBP's FX reserves slipped from USD 9.8 billion to USD 4.5 billion for the same reason. Amid steep drawdown in FX reserves, PKR witnessed massive devaluation of around 40% during FY23 that also dented sentiments. Unprecedented rains led to massive floods in the country that not only caused massive devastation but further worsened economic outlook as GDP growth was recorded at merely 0.3% during the year. Large Scale Manufacturing was particularly hit as its output dropped by around 10.3% during FY23. Inflation, which was already on an ascent due to commodity upcycle and retail fuel & power prices adjustments, further ratcheted up as acute supply disruptions & shortages put more pressure on prices. Average inflation clocked in at around 29.2% in FY23. This prompted the central bank to aggressively increase Policy Rate to 22% from 13.75% during the year. Although listed corporate sector continued to post robust double-digit growth in profitability despite of imposition of higher taxes and anemic GDP growth, multi-faceted economic challenges and political uncertainty sapped sentiments and weighed heavily on market performance. A key aspect during last year related to capital market was the sponsor buy back programs which remained a major redeeming factor where cumulative buybacks of around PKR 28 billion were announced reflecting immense sponsor confidence in their own companies.

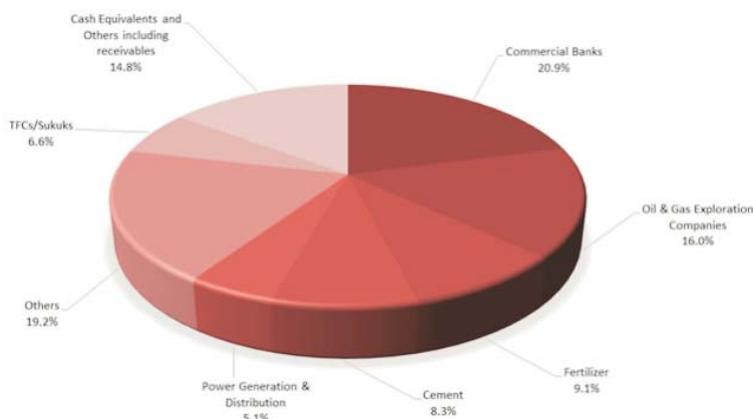
In terms of sector performance, Cements, Chemicals, Banks, Fertilizer, Oil & Gas Exploration Companies, Power Generation & Distribution, Sugar & Allied Industries, and Technology & Communication sectors outperformed the market. On the contrary, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Engineering, Food & Personal Care, Glass & Ceramics, Insurance, Leather & Tanneries, Miscellaneous, Oil & Gas Marketing, Paper & Board, Pharmaceutical, Refinery, Textile Composite, and Tobacco sectors lagged the market. On participants-wise market activity, Companies, Individual and Banks/DFIs emerged the largest net buyers with inflows of around USD 100 million, USD 84 and USD 74 million, respectively. On the contrary, Mutual Funds and Insurance sector lowered their net holdings by around USD 144 million & USD 124 million, respectively.

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

The trading activity in corporate bonds remained slow, with the cumulative traded value standing at Rs. 7.9 billion (a 23% decrease from last year). However, the market witnessed some fresh issuance of TFCs and Sukuks, mostly in the Power & Distribution and Banking sectors.

During the fiscal year, return of NBP Sarmaya Izafa Fund increased by 2.6% versus 8.3% increase in the benchmark. Thus, the Fund underperformed the benchmark by 5.7% during the year. NSIF underperformance during the year was because the Fund was underweight in key stocks in Cement, Fertilizer, Inv. Banks / Inv. Cos. / Securities Cos, and Oil & Gas Exploration Companies, sectors that outperformed the market and was overweight in key stocks in Commercial Banks, Engineering, Glass & Ceramics, Textile Composite and Transport, sectors that underperformed the market. Since its launch (August 20, 2010), the Fund has risen by 270%, versus the benchmark return of 178.9%, thus to date outperformance is 91.1%. This outperformance is net of management fee and all other expenses. The Fund size is 490 mln as of June 30, 2023.

NBP Sarmaya Izafa Fund has earned a total income of Rs.42.80 million during the year. After deducting total expenses of Rs.29.24 million, the net income is Rs.13.56 million. During the year the unit price of NBP Sarmaya Izafa Fund has Decreased from 15.4812 (Ex-Div) on June 30, 2022 to Rs.15.4580 on June 30, 2023. The resultant per unit loss Rs.-0.0232 i.e. -0.15%. The asset allocation of NBP Sarmaya Izafa Fund as on June 30, 2023 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 2.79% of the opening ex-NAV (4.32% of the par value) during the year ended June 30, 2024.

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, 2023.

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

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.

7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the year. The attendance of all directors is disclosed in the note 27 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 24 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

Category	Names
Independent Directors	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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 سرمایہ اضافہ فنڈ کی تیرہویں سالانہ رپورٹ برائے اختتامہ سال 30 جون 2023 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

مالی سال 23 ایکویٹیز کے لیے مایوس کن تھا کیونکہ بیٹھ مارک KSE-100 انڈیکس فلیٹ رہا، جس میں 88 پوائنٹس کی کمی واقع ہوئی۔ تاہم، اس عرصہ کے دوران، مارکیٹ بہت اتار چڑھاؤ کا شکار رہی اور انڈیکس نے بھی دونوں اطراف جھکاؤ دکھایا۔

رواں سال کے دوران سٹاک مارکیٹ کی کارکردگی کم رہی کیونکہ خراب سیاسی اور میکرو اکنامک نقطہ نظر کی وجہ سے سرمایہ کاروں کا اعتماد کمزور رہا۔ معاشی محاذ پر، ادائیگی کے توازن (BOP) کی نازک صورتحال نے سرمایہ کاروں کو پریشان کیا۔ اگرچہ کرنٹ اکاؤنٹ خسارہ (CAD) جو کہ گزشتہ سال 17.5 بلین امریکی ڈالر کے مقابلے میں 2.6 بلین امریکی ڈالر رہا، مختلف انتظامی اقدامات/پابندیوں کی وجہ سے کنٹرول میں لایا گیا، تاہم تقریباً 21 بلین ڈالر کے بیرونی قرضوں کی ادائیگی توثیق کا باعث بنی ہوئی ہے۔ آئی ایم ایف کی شرائط پوری کرنے میں تاخیر کی وجہ سے پروگرام معطل کا شکار رہا اور بیرونی رقم کا بہاؤ کم ہو گیا۔ لہذا، اسی وجہ سے SBP کے زرمبادلہ ذخائر 9.8 بلین امریکی ڈالر سے کم ہو کر 4.5 بلین امریکی ڈالر پر آ گئے۔ زرمبادلہ ذخائر میں زبردستی کمی کے درمیان، پاکستانی روپیہ نے مالی سال 23 کے دوران بڑے پیمانے پر قدر میں تقریباً 40% کی کمی دیکھی جس سے مارکیٹ کے حالات بھی مجروح ہوئے۔ غیر معمولی بارشوں نے ملک میں بڑے پیمانے پر سیلاب کی وجہ سے نہ صرف تباہی مچائی بلکہ معاشی نقطہ نظر کمزور خراب کر دیا کیونکہ سال کے دوران جی ڈی پی کی شرح نمو محض 0.3 فیصد ریکارڈ کی گئی۔ خاص طور پر بڑے پیمانے کی مینوفیکچرنگ متاثر ہوئی کیونکہ مالی سال 23 کے دوران اس کی پیداوار میں تقریباً 10.3 فیصد کمی واقع ہوئی۔ مہنگائی، جو کہ کووڈ ٹی اپ سائیکل اور خوردہ ایندھن اور بجلی کی قیمتوں میں اینڈ جسٹمنٹ کی وجہ سے پہلے ہی عروج پر تھی، مزید بڑھ گئی کیونکہ سپلائی میں شدید رکاوٹ اور قلت قیمتوں پر مزید باؤ ڈالا۔ مالی سال 23 میں اوسط مہنگائی تقریباً 29.2 فیصد تک پہنچ گئی۔ اس نے مرکزی بینک کو جارحانہ انداز میں پالیسی شرح کو 13.75 فیصد سے بڑھا کر 22 فیصد کرنے پر آمادہ کیا۔ اگرچہ لسٹڈ زیادہ ٹیکسوں کے نفاذ اور جی ڈی پی میں کمی کے باوجود کارپوریٹ سیکٹرز نے منافع میں دوہرے ہندسے کی مضبوط نمو جاری رکھی، کثیر جہتی اقتصادی چیلنجوں اور سیاسی غیر یقینی صورتحال نے جذبات کو مجروح کر دیا اور مارکیٹ کی کارکردگی پر بہت زیادہ باؤ ڈالا۔ کیپٹل مارکیٹ سے متعلق پچھلے سال کے دوران ایک اہم پہلو اسپانسر بے بیک پروگرام تھا جو کہ ایک اہم ریڈیمنگ عنصر رہا جہاں تقریباً 28 بلین روپے کی مجموعی بے ٹیکس کا اعلان کیا گیا جو ان کی اپنی کمپنیوں میں اسپانسر کے بے پناہ اعتماد کی عکاسی کرتا ہے۔

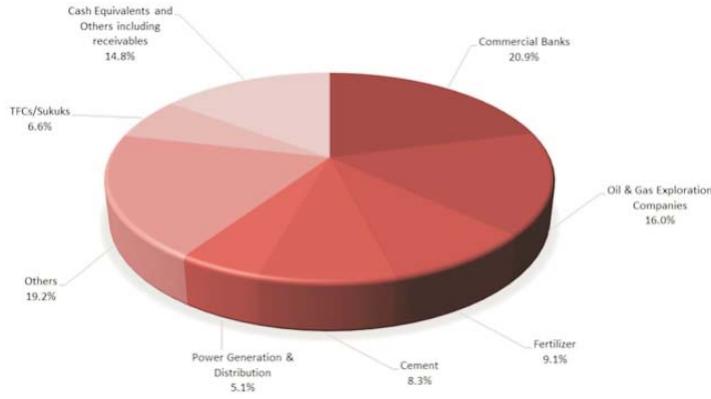
سیکٹرز اور کارکردگی کے لحاظ سے سینٹ، کیمیکل، بینک، فرٹیلائزر، آئل اینڈ گیس ایکسپلوریشن کمپنیاں، پاور جنریشن اینڈ ڈسٹری بیوٹن، شوگر اینڈ الائیڈ انڈسٹریز، اور ٹیکسٹائل اور کیمیکلین سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس، آٹو اسمبلرز، آٹو پارٹس اور ایئر سیریز، کیبل اور الیکٹریکل سامان، انجینئرنگ، فوڈ اینڈ پراسسنگ، گلاس اینڈ سرامکس، انشورنس، لیدر اینڈ ٹیکسٹائل، متفرقات، آئل اینڈ گیس مارکیٹنگ، پیپر اینڈ ایڈورٹائز، فارماسیوٹیکل، ریفرنسری، ٹیکسٹائل کمپوزٹ، اور تمباکو کے شعبوں نے مارکیٹ سے اتر کارکردگی کا مظاہرہ کیا۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، کمپنیاں، انفرادی اور بینک/DFIs بالترتیب 100 بلین امریکی ڈالر، 84 بلین امریکی ڈالر اور 74 بلین امریکی ڈالر کی آمد کے ساتھ سب سے بڑے خالص خریدار رہے۔ اس کے برعکس، میوچل فنڈز اور انشورنس نے اپنی خالص ہولڈنگز کو بالترتیب 144 بلین امریکی ڈالر اور 124 بلین امریکی ڈالر تک کم کر دیا۔

مالی سال 23 کے دوران، اسٹیٹ بینک کی مانیٹری پالیسی کمیٹی (MPC) نے 19 اجلاس منعقد ہوئے اور ملکی غیر یقینی صورتحال اور بیرونی اکاؤنٹ پر مسلسل دباؤ کی وجہ سے افراط زر کے دباؤ کو روکنے، قیمتوں میں استحکام حاصل کرنے، اقتصادی کوئیٹن بنانے، اور کرنسی کے دباؤ کو کم کرنے کے لیے پالیسی شرح کو 82.5 پبسیس 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 مزید بھی غیر یقینی صورتحال اور بیرونی خطرات سے مشروط ہے، جو درمیانی اور قلیل مدتی نمو کو کمزور کر رہا ہے۔ مزید برآں، کم نئے انفلوئرز اور کمزور سرمایہ کاری کے درمیان قرض کی ادائیگی زرمبادلہ ذخائر پر دباؤ ڈال رہی ہے۔ اسٹیٹ بینک آف پاکستان (SBP) کے ہاں خالص لیکویڈ غیر ملکی زرمبادلہ کے ذخائر جون 2023 میں 4.5 بلین امریکی ڈالر ریکارڈ کیے گئے، جو مالی سال 23 کے دوران 5.3 بلین امریکی ڈالر کی کمی سے مالی استحکام اور مالیاتی کنسولیدیشن کے لیے چیلنجز اور خطرات کا باعث بنے ہیں۔ گورنمنٹ بونڈز منافعوں نے بھی ان پالیسی اقدامات اور بڑھتی ہوئی افراط زر اور شرح سود کے نقطہ نظر کا جواب دیا۔ سیاسی اور معاشی غیر یقینی صورتحال کی وجہ سے مارکیٹ کے شرکاء کی دلچسپی کا جھکاؤ مختصر مدت کی طرف رہا۔ SBP نے سٹائٹس (27) ٹی بل ٹیلیا میں کا انعقاد کیا، جس میں 24.4 ٹریلین روپے کے ہدف اور 23.5 ٹریلین روپے کی میچورٹی کے مقابلے میں 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۔

کارپوریٹ بانڈز میں تجارتی سرگرمی سست رہی، جس کی مجموعی تجارت کی قیمت 7.9 بلین روپے (گزشتہ سال کے مقابلے میں 23 فیصد کمی) رہی۔ تاہم، مارکیٹ میں TFCS اور سٹاک کے کچھ زیادہ ترپاؤر اینڈ ڈسٹری بیوٹن اور بینکنگ کے شعبوں میں تازہ اجراء کا مشاہدہ کیا گیا۔

مالی سال کے دوران، NBP سرمایہ اضافہ فنڈ 8.3% بیچ مارک اضافہ کے مقابلے میں 2.6% تک زیادہ ہوا۔ لہذا مالی سال کے دوران فنڈ نے اپنے بیچ مارک سے 5.7% کی ایتر کارکردگی دکھائی۔ NSIF نے سال کے دوران ایتر کارکردگی کا مظاہرہ کیا کیونکہ فنڈ نے سیمنٹ، کھادوں، انوسٹمنٹ بینکوں/انوسٹمنٹ کارپوریشنز/سیکورٹیز کارپوریشنز، آئل اینڈ گیس مارکیٹنگ کمپنیوں، اور آئل اینڈ گیس ایکسپلوریشن کمپنیوں کے شعبوں میں اہم اسٹاک کو کم اہمیت دی جنہوں نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا اور کیپل اینڈ الیکٹریکل اشیاء، انجینئرنگ، گلاس اور سیرامکس، ٹرانسپورٹ اور ٹیکسٹائل کمپوزٹ، وہ شعبے ہیں جنہوں نے مارکیٹ میں ایتر کارکردگی کا مظاہرہ کیا، ان کے اہم اسٹاک کو زیادہ اہمیت دی گئی۔ جس کے باعث کارکردگی ایتر رہی۔ اپنے آغاز (20 اگست 2010) سے، فنڈ نے 178.9% بیچ مارک منافع کے مقابلے میں 270% منافع کمایا، چنانچہ فنڈ نے آج تک 91.1% کی بہتر کارکردگی دیکھائی۔ یہ بہتر کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 30 جون 2023 کو 490 ملین روپے ہے۔

این بی پی سرمایہ اضافہ فنڈ کو سال کے دوران 42.80 ملین روپے کی مجموعی آمدنی ہوئی۔ 29.24 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد، خالص آمدنی 13.56 ملین روپے ہے۔ سال کے دوران این بی پی سرمایہ اضافہ فنڈ کے پونٹ کی قیمت 30 جون 2022 کو 15.4812 روپے (EX-Div) سے کم ہو کر 30 جون 2023 کو 15.4580 روپے ہو گئی، جس کے نتیجے فی پونٹ نقصان 0.0232- روپے یعنی 0.15%- ہے۔ 30 جون 2023 کو این بی پی سرمایہ اضافہ فنڈ کی ایسٹ ایلیوکیشن درج ذیل ہے:



آمدنی کی تقسیم

میجسٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 2.79% فیصد (بنیادی قیمت کا 4.32 فیصد) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین اور جمع شدہ نقصانات منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر انکم 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 بناء پر 30 جون 2024 کو ختم ہونے والے سال کے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

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

- میجسٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور پونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- فنڈ کا اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 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۔
- انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- فنڈ کی روادوں 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، ڈیویڈنڈ، 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 بینچمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 27 میں ظاہر کی گئی ہے۔
- 11 پونٹ ہولڈنگ کا تفصیلی پیرن مالیاتی گوشواروں کے نوٹ 24 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، سی ای او، سی ایف او، کمپنی میکریٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے پیئس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریٹ نہیں رکھتی۔ زیر جائزہ مدت 30 جون 2023 کے دوران بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل رہا۔

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

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے بینچمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ٹرسٹی 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 بینچمنٹ 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 Sarmaya Izafa 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 Sarmaya Izafa Fund

NBP Sarmaya Izafa Fund (NSIF) is an Open-ended Asset Allocation Fund.

Investment Objective of the Fund

Objective of NSIF is to generate income by investing in debt and money market securities and to generate capital appreciation by investing in equity and equity related securities.

Benchmark

Daily weighted return of KSE-30 Total Return Index & 6-month KIBOR based on Fund's actual allocation, effective from September 01, 2016. Previously 1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE-30 Index Total Return.

Fund Performance Review

This is the Thirteenth annual report of the Fund. During the fiscal year, NBP Sarmaya Izafa Fund increased by 2.6% versus 8.3% increase in the benchmark. Thus, the Fund underperformed the benchmark by 5.7% during the year. Since its launch (August 20, 2010), the Fund has risen by 270.0%, versus the benchmark return of 178.9%, thus to date outperformance is 91.1%. This outperformance is net of management fee and all other expenses. The Fund size is 490 mln as of June 30, 2023.

NSIF underperformance during the year was because the Fund was underweight in key stocks in Cement, Fertilizer, Inv. Banks / Inv. Cos. / Securities Cos, and Oil & Gas Exploration Companies, sectors that outperformed the market and was overweight in key stocks in Commercial Banks, Engineering, Glass & Ceramics, Textile Composite and Transport, sectors that underperformed the market.

The chart below shows the performance of NSIF against the Benchmark for the year.

NSIF Performance vs. Benchmark during FY23



At the start of the year, NSIF was around 80.8% invested in equities. During the year, we altered the allocation of the Fund based on our view on the relative performance of different asset classes. Towards the end of the year, the allocation in equities was around 78.6%.

FY23 was a lackluster year for equities as the benchmark KSE-100 Index remained flat, falling slightly by 88 points. However, during the period, the market remained very volatile and the Index exhibited large swings on both sides.

The stock market performance remained subdued during the outgoing year as investors' confidence remained fragile shaped by worsening political and macro-economic outlook. On the political front, uncertainty & agitation remained elevated during the year and weighed on investors' sentiments. The dissolution of two provincial assemblies and uncertainty over continuity of federal government and contention between government and apex court caused jitters in the market. On economic front, the precarious situation on balance of payment (BOP) troubled investors. Though the current account deficit (CAD), that stood at USD 2.6 bn as against USD 17.5 bn last year, was brought under control due to various administrative measures/restrictions, elevated external debt repayments of around USD 21 bn remained a cause of concern. Due to delay in meeting conditions of IMF, the program remained in abeyance and the external inflows dried up. Hence, SBP's FX reserves slipped from USD 9.8 billion to USD 4.5 billion for the same reason. Amid steep drawdown in FX reserves, PKR witnessed massive devaluation of around 40% during FY23 that also dented sentiments. Unprecedented rains led to massive floods in the country that not only caused massive devastation but further worsened economic outlook as GDP growth was merely recorded at 0.3% during the year. Large Scale Manufacturing was particularly hit as its output dropped by around 10.3% during FY23. Inflation, which was already on an ascent due to commodity upcycle and retail fuel & power prices adjustments, further ratcheted up as acute supply disruptions & shortages put more pressure on prices. Average inflation clocked in at around 29.2% in FY23. This prompted the central bank to aggressively increase Policy Rate to 22% from 13.75% at the start of the period. Although listed corporate sector continued to post robust double-digit growth in profitability, despite imposition of higher taxes and anemic GDP growth, multi-faceted economic challenges and political uncertainty sapped sentiments and weighed on market performance. A key aspect during last year related to capital market was the sponsor buy back programs which remained a major redeeming factor where cumulative buybacks of around PKR 28 billion were announced reflecting immense sponsor confidence in their own companies.

In terms of sector performance, Cements, Chemicals, Banks, Fertilizer, Oil & Gas Exploration Companies, Power Generation & Distribution, Sugar & Allied Industries, and Technology & Communication sectors outperformed the market. On the contrary, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Engineering, Food & Personal Care, Glass & Ceramics, Insurance, Leather & Tanneries, Miscellaneous, Oil & Gas Marketing, Paper & Board, Pharmaceutical, Refinery, Textile Composite, and Tobacco sectors lagged the market. On participants-wise market activity, Companies, Individual and Banks/DFIs emerged the largest net buyers with inflows of around USD 100 million, USD 84 and USD 74 million, respectively. On the contrary, Mutual Funds & Insurance lowered their net holdings by around USD 144 million & USD 124 million, respectively.

The trading activity in corporate bonds remained slow, with the cumulative traded value standing at Rs. 7.9 billion (a 23% decrease from last year). However, the market witnessed some fresh issuance of TFCs and Sukuks, mostly in the Power & Distribution and Banking sectors.

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

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The Fund does not have any soft commission arrangement with any broker in the industry.

Asset Allocation of the Fund (% of NAV)

Particulars	30-Jun-23	30-Jun-22
Equities / Stocks	78.6%	80.8%
TFCs / Sukuks	6.6%	5.0%
Commercial Papers	-	5.2%
Cash Equivalents	20.0%	11.1%
Other Net Liabilities	(5.2%)	(2.1%)
Total	100.0%	100.0%

Distribution for the Financial Year 2023

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Interim	4.32%	15.8529	15.4213

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	564
1001-5000	109
5001-10000	59
10001-50000	103
50001-100000	39
100001-500000	41
500001-1000000	3
1000001-5000000	4
5000001-10000000	1
Total	923

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of NBP Sarmaya Izafa Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NBP Sarmaya Izafa 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. 98.278 million and Rs. 417.307 million respectively.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> tested the design and operating effectiveness of the key controls for valuation of investments; obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2023 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; re-performed valuation to assess that investments are carried as per the valuation

S. No.	Key Audit Matter	How the matter was addressed in our audit
		<p>methodology specified in the accounting policies; and</p> <ul style="list-style-type: none"> 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: AR2023100616BU1vD2Yk

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

	Note	2023 ----- Rupees in '000 -----	2022 ----- Rupees in '000 -----
ASSETS			
Bank balances	4	98,278	88,796
Investments	5	417,307	714,591
Profit and dividend receivable	6	2,257	1,023
Receivable against sale of investments		6,541	10,150
Deposits, prepayments and other receivables	7	3,436	3,452
Total assets		527,819	818,012
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	8	22,641	25,407
Payable to the Central Depository Company of Pakistan Limited - the Trustee	9	98	157
Payable to the Securities and Exchange Commission of Pakistan	10	134	224
Payable against redemption of units		11,268	5,543
Accrued expenses and other liabilities	11	3,374	1,093
Total liabilities		37,515	32,424
NET ASSETS		490,304	785,588
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		490,304	785,588
CONTINGENCIES AND COMMITMENTS			
	12	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	13	31,718,513	50,744,805
		-----Rupees-----	
NET ASSET VALUE PER UNIT	14	15.4580	15.4812

The annexed notes from 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	----- Rupees in '000 -----	
INCOME		
Profit on bank balances	8,846	9,553
Income on sukuk certificates	4,085	6,710
Income on term finance certificates	1,937	-
Income on government securities	12,520	3,252
Income on commercial papers	1,512	1,210
Dividend income	54,146	72,653
Loss on sale of investments - net	(4,791)	(15,762)
Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.6 (35,451)	(123,547)
	<u>(40,242)</u>	<u>(139,309)</u>
Total income / (loss)	42,804	(45,931)
EXPENSES		
Remuneration of NBP Fund Management Limited - the Management Company	8.1 13,395	18,632
Sindh sales tax on remuneration of the Management Company	8.2 1,741	2,422
Reimbursement of allocated expenses	8.4 1,340	2,187
Reimbursement of selling and marketing expenses	8.5 8,707	18,163
Remuneration of the Central Depository Company of Pakistan Limited - the Trustee	9.1 1,340	2,080
Sindh sales tax on remuneration of the Trustee	9.2 174	270
Annual fee to the Securities and Exchange Commission of Pakistan	10.1 134	224
Securities transaction costs	455	727
Settlement and bank charges	399	501
Auditors' remuneration	15 964	864
Legal and professional charges	150	344
Annual rating fee	340	253
Annual listing fee	27	27
Printing charges	75	97
Total expenses	<u>29,241</u>	<u>46,791</u>
Net income / (loss) from operating activities	13,563	(92,722)
Reversal of provision against Sindh Workers' Welfare Fund - net	-	25,552
Net income / (loss) for the year before taxation	<u>13,563</u>	<u>(67,170)</u>
Taxation	17 -	-
Net income / (loss) for the year	<u><u>13,563</u></u>	<u><u>(67,170)</u></u>
Allocation of net income for the year		
Net income for the year after taxation	13,563	-
Income already paid on units redeemed	(29)	-
	<u>13,534</u>	<u>-</u>
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	13,534	-
	<u><u>13,534</u></u>	<u><u>-</u></u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	2023	2022
	----- Rupees in '000 -----	
Net income / (loss) for the year	13,563	(67,170)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	<u>13,563</u>	<u>(67,170)</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE 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	142,046	643,542	785,588	743,335	710,712	1,454,047
Issue of 11,717,158 units (2022: 17,201,508 units)						
- Capital value (at ex-net asset value per unit)	181,396	-	181,396	290,525	-	290,525
- Element of income / (loss)	591	-	591	(2,716)	-	(2,716)
Total proceeds on issue of units	181,987	-	181,987	287,809	-	287,809
Redemption 30,743,450 of units (2022: 52,548,221 units)						
- Capital value (at ex-net asset value per unit)	(475,945)	-	(475,945)	(887,513)	-	(887,513)
- Element of loss	(1,183)	(29)	(1,212)	(1,585)	-	(1,585)
Total payments on redemption of units	(477,128)	(29)	(477,157)	(889,098)	-	(889,098)
Total comprehensive income / (loss) for the year	-	13,563	13,563	-	(67,170)	(67,170)
Cash distribution during the year ended June 30, 2023						
- @ Re. 0.4316 per unit (Date of declaration: June 27, 2023)	-	(13,677)	(13,677)	-	-	-
Net assets at end of the year	(153,095)	643,399	490,304	142,046	643,542	785,588
Undistributed income brought forward						
- Realised income		767,089			532,700	
- Unrealised income		(123,547)			178,012	
		643,542			710,712	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gains		13,534			-	
		13,534			-	
Total comprehensive loss during the year		-			(67,170)	
Distribution during the year		(13,677)			-	
Undistributed income carried forward		643,399			643,542	
Undistributed income carried forward						
- Realised		678,850			767,089	
- Unrealised		(35,451)			(123,547)	
		643,399			643,542	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year		15.4812			16.8895	
Net assets value per unit at the end of the year		15.4580			15.4812	

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year before taxation	13,563	(67,170)
Adjustments:		
Profit on bank balances	(8,846)	(9,553)
Income on sukuk certificates	(4,085)	(6,710)
Income on term finance certificates	(1,937)	-
Income on government securities	(12,520)	(3,252)
Income on commercial papers	(1,512)	(1,210)
Dividend income	(54,146)	(72,653)
Reversal of provision for Sindh Workers' Welfare Fund - net	-	(25,552)
Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	35,451	123,547
	(47,595)	4,617
Decrease in assets		
Investments - net	263,345	372,852
Receivable against sale of investments	3,609	(10,150)
Advance against IPO subscription	-	8,275
Deposits, prepayments and other receivables	16	(37)
	266,970	370,940
Decrease in liabilities		
Payable to NBP Fund Management Limited - the Management Company	(2,766)	(4,210)
Payable to the Central Depository Company of Pakistan Limited - the Trustee	(59)	(73)
Payable to the Securities and Exchange Commission of Pakistan	(90)	(63)
Payable against purchase of investments	-	(5,955)
Accrued expenses and other liabilities	2,281	(6,090)
	(634)	(16,391)
Profit received on bank balances, corporate sukuk certificates term finance certificates, government securities and commercial papers	26,148	19,704
Dividend received	54,152	72,618
	80,300	92,322
Net cash generated from operating activities	312,604	384,318
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units - net of refund of element	181,987	296,717
Amounts paid against redemption of units	(471,432)	(883,857)
Distributions pay-out	(13,677)	-
Net cash used in financing activities	(303,122)	(587,140)
Net increase / (decrease) in cash and cash equivalents during the year	9,482	(202,822)
Cash and cash equivalents at the beginning of the year	88,796	291,618
Cash and cash equivalents at the end of the year	98,278	88,796

The annexed notes from 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Sarmaya Izafa 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 approved by the Securities and Exchange Commission of Pakistan (SECP) on June 18, 2010 in accordance with the Non-Banking Finance Companies (Established and Regulation) Rules, 2003 (the NBFC rules).

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

1.3 The Fund has been categorised as an open ended asset allocation scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from August 20, 2010 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to generate income by investing in debt and money market securities and to generate capital appreciation by investing in equity and equity related securities. The Fund also undertakes transactions under margin trading system.

1.5 The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of AM1 as at June 22, 2023 (2022: AM1 as at June 22, 2022) to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has maintained the performance ranking of "3-Star" to the Fund dated August 15, 2023 (2022: "3-Star" dated February 4, 2022).

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), 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 with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to 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 annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year:

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

2.4 Critical accounting estimates and judgments

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

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

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash comprises current and savings accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

Debt instruments

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

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

based on the business model of the entity.

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

Equity instruments

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

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

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

3.2.3 Subsequent measurement

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

Financial assets 'at fair value through profit or loss'

Basis of valuation of equity securities

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

3.2.4 Impairment

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

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

3.2.5 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on 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.

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.

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 stated at amortised cost.

3.3.1 Classification and subsequent measurement

Financial liabilities are classified and subsequently measured at amortised cost.

3.3.2 Derecognition

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Net asset value per unit

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

3.7 Issue and redemption of units

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

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to the NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on 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 assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Revenue recognition

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

- Income from investments in government securities, corporate sukuk certificates and commercial papers is recognised on an accrual basis using effective interest method.
- Profit on bank balances is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.

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 Foreign currency translation

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

3.13 Taxation

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

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

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income 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.

4	BANK BALANCES	Note	2023	2022
			-----Rupees in '000-----	
	Balances with banks in:			
	- Savings accounts	4.1	97,970	88,488
	- Current accounts	4.2	308	308
			<u>98,278</u>	<u>88,796</u>

4.1 These include balances of Rs. 0.117 million (2022: Rs 0.154) and Rs 0.003 million (2022: Rs 0.003) maintained with National Bank of Pakistan and Telenor Microfinance Bank Limited (related parties) respectively that carry profits at the rates of 18.40% (2022: 12.25%) per annum and 19.50% (2022: 16.00%) per annum respectively. Other savings accounts of the Fund carry profits at the rates ranging from 10.00% to 22.60% per annum (2022: 13.50% to 16.60% per annum).

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

5 INVESTMENTS

At fair value through profit or loss

	Note	2023	2022
		Rupees in '000	
Listed equity securities	5.1	385,181	634,649
Government securities - Market Treasury Bills	5.2	-	-
Corporate sukuk certificates	5.3	12,537	39,454
Term finance certificates	5.4	19,589	-
Commercial papers	5.5	-	40,488
		<u>417,307</u>	<u>714,591</u>

5.1 Listed equity securities

Shares of listed companies - fully paid up ordinary shares with a face value of Rs 10 each, unless otherwise stated.

Name of the investee company	Number of shares held					Market value as at June 30, 2023	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023		Total market value of Investments	Net assets of the Fund	
						(Rupees in 000)		%	
Oil and gas marketing companies									
Pakistan State Oil Company Limited	135,214	8,600	-	58,134	85,680	9,511	2.28%	1.94%	0.02%
Attock Petroleum Limited	20,800	-	4,575	25,375	-	-	-	-	-
Hascol Petroleum Limited *	1,861	-	-	-	1,861	10	0.00%	-	-
						<u>9,511</u>	<u>2.28%</u>	<u>1.94%</u>	
Oil and gas exploration companies									
Pakistan Petroleum Limited	393,169	39,100	-	109,200	323,069	19,106	4.58%	3.90%	0.01%
Oil & Gas Development Company Limited	406,300	19,900	-	130,200	296,000	23,088	5.53%	4.71%	0.01%
Mari Petroleum Company Limited	26,130	-	-	4,851	21,279	32,230	7.72%	6.57%	0.02%
Pakistan Oilfields Limited *	17,596	2,600	-	10,693	9,503	3,818	0.91%	0.78%	-
						<u>78,242</u>	<u>18.74%</u>	<u>15.96%</u>	
Fertilizer									
Fauji Fertilizer Company Limited	229,500	16,200	-	18,800	226,900	22,336	5.35%	4.56%	0.02%
Fauji Fertilizer Bin Qasim Limited	432,500	-	-	230,000	202,500	2,385	0.57%	0.49%	0.02%
Engro Corporation Limited	88,170	11,800	-	22,900	77,070	20,030	4.80%	4.09%	0.01%
						<u>44,751</u>	<u>10.72%</u>	<u>9.14%</u>	
Engineering									
Mughal Iron & Steel Industries Limited	332,194	-	-	123,735	208,459	10,098	2.42%	2.06%	0.06%
						<u>10,098</u>	<u>2.42%</u>	<u>2.06%</u>	
Cement									
Kohat Cement Company Limited	169,150	4,100	-	15,850	157,400	27,304	6.54%	5.57%	0.08%
Fauji Cement Company Limited	709,000	33,500	81,000	823,500	-	-	-	-	-
Lucky Cement Limited	47,893	500	-	24,880	23,513	12,276	2.94%	2.50%	0.01%
Attock Cement Pakistan Limited	12,400	70	-	-	12,470	1,033	0.25%	0.21%	0.01%
Maple Leaf Cement Factory Limited	115,100	22,100	-	137,200	-	-	-	-	-
						<u>40,613</u>	<u>9.73%</u>	<u>8.28%</u>	
Paper & board									
Roshan Packages Limited	95,000	-	-	95,000	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>	
Automobile assembler									
Millat Tractors Limited	7,436	-	567	8,003	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	4,760	-	-	4,760	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>	
Cable & electrical goods									
Pak Elektron Limited	314,760	-	-	137,000	177,760	1,609	0.39%	0.33%	0.02%
						<u>1,609</u>	<u>0.39%</u>	<u>0.33%</u>	
Transport									
Pakistan National Shipping Corporation	-	50,500	-	-	50,500	6,693	1.60%	1.37%	0.04%
Pakistan International Bulk Terminal	221,000	-	-	221,000	-	-	-	-	-
						<u>6,693</u>	<u>1.60%</u>	<u>1.37%</u>	

Name of the investee company	Number of shares held					Market value as at June 30, 2023	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023		Total market value of Investments	Net assets of the Fund	
(Rupees in 000) %									
Technology & communication									
Systems Limited	101,179	-	-	43,550	57,629	23,244	5.57%	4.74%	0.02%
						23,244	5.57%	4.74%	
Textile composite									
Gul Ahmed Textile Mills Limited	247,572	2,500	42,014	40,000	252,086	4,490	1.08%	0.92%	0.03%
Kohinoor Textile Mills Limited	226,194	15,000	-	17,000	224,194	11,414	2.74%	2.33%	0.07%
Nishat Mills Limited	115,900	-	-	36,200	79,700	4,525	1.08%	0.92%	0.02%
Industrial Lighting Products	119,257	-	2,350	121,607	-	-	-	-	-
Crescent Textile Mills Limited *	1,875	-	-	-	1,875	24	0.01%	-	-
Nishat Chunian Limited	92,500	-	-	92,500	-	-	-	-	-
						20,453	4.91%	4.17%	
Balance carried forward						235,214	56.36%	47.99%	
Balance brought forward						235,214	56.36%	47.99%	
Pharmaceuticals									
The Searle Company Limited	61,931	-	15,207	37,700	39,438	1,512	0.36%	0.31%	0.01%
Citi Pharma limited	53,305	-	-	15,901	37,404	799	0.19%	0.16%	0.02%
AGP Limited	33,600	-	-	8,600	25,000	1,412	0.34%	0.29%	0.01%
Highnoon Laboratories Limited	9,987	-	2,319	1,400	10,906	3,667	0.88%	0.75%	0.02%
IBL HealthCare Limited	5,000	-	450	5,450	-	-	-	-	-
Glaxo SmithKline Healthcare Pakistan Limited	2,000	-	-	-	2,000	281	0.07%	0.06%	-
						7,671	1.84%	1.57%	
Power generation & distribution									
Hub Power Company Limited	430,579	8,500	-	109,500	329,579	22,933	5.50%	4.68%	0.03%
Lalpir Power Limited	177,000	-	-	41,500	135,500	2,026	0.49%	0.41%	0.04%
Pakgen Power Limited	116,500	-	-	116,500	-	-	-	-	-
						24,959	5.99%	5.09%	
Commercial banks									
Bank Alfalah Limited	1,127,950	23,000	-	198,272	952,678	29,000	6.95%	5.91%	0.06%
Bank AL Habib Limited	468,650	-	-	62,300	406,350	17,563	4.21%	3.58%	0.04%
Habib Bank Limited	442,667	-	-	172,700	269,967	19,770	4.74%	4.03%	0.02%
United Bank Limited	310,303	-	-	100,502	209,801	24,661	5.91%	5.03%	0.02%
Faysal Bank Limited	355,145	27,600	-	263,100	119,645	2,415	0.58%	0.49%	0.01%
Habib Metropolitan Bank Limited	62,000	-	-	-	62,000	1,874	0.45%	0.38%	0.01%
MCB Bank Limited	43,400	5,000	-	1,200	47,200	5,403	1.29%	1.10%	-
Meezan Bank Limited	12,825	6,000	1,272	100	19,997	1,728	0.41%	0.35%	-
Allied Bank Limited	37,200	-	-	37,200	-	-	-	-	-
						102,414	24.54%	20.87%	
Chemical									
Engro Polymer & Chemicals Limited	271,702	15,600	-	232,451	54,851	2,318	0.56%	0.47%	0.01%
Lotte Chemical Pakistan Limited	383,500	-	-	383,500	-	-	-	-	-
						2,318	0.56%	0.47%	
Glass and ceramics									
Shabbir Tiles & Ceramics Limited	755,000	-	-	78,500	676,500	5,629	1.35%	1.15%	-
Tariq Glass Industries Limited	95,925	800	19,631	52,400	63,956	4,356	1.04%	0.89%	0.04%
						9,985	2.39%	2.04%	
Automobile parts & accessories									
Panther Tyres Limited	70,200	-	-	42,000	28,200	569	0.14%	0.12%	0.02%
Baluchistan Wheels Limited	500	-	-	500	-	-	-	-	-
						569	0.14%	0.12%	
Leather & tanneries									
Service Industries Limited	12,100	-	-	12,100	-	-	-	-	-
Food & personal care products									
Shezan International Limited	13,750	-	-	200	13,550	1,430	0.34%	0.29%	0.14%
						1,430	0.34%	0.29%	

Name of the investee company	Number of shares held					Market value as at June 30, 2023	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023		Total market value of Investments	Net assets of the Fund	
						(Rupees in 000)	----- % -----		
Miscellaneous									
Synthetic Products Limited	60,652	-	-	1,000	59,652	621	0.15%	0.12%	0.03%
						621	0.15%	0.12%	
Total						<u>385,181</u>	<u>92.31%</u>	<u>78.56%</u>	
Carrying value as at June 30, 2023						<u>418,305</u>			
Market value as at June 30, 2022						<u>634,649</u>			
Carrying value as at June 30, 2022						<u>759,153</u>			

* Nil figure due to rounding off

- 5.1.1** Investments include shares with a market value of Rs 20.926 million (2022: Rs. 24.345 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 5.1.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable Sindh High Court (SHC) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, CISs filed a fresh constitutional petition via CP 4653 dated July 11, 2019 in the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh had issued notices to the relevant parties and had ordered that no third party interest on bonus shares issued to the Fund in lieu of its investments be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 which required every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at June 30, 2023, the following bonus shares of the Fund have been withheld at the time of declaration of bonus shares:

Name of the investee company	2023		2022	
	Bonus shares		Bonus shares	
	Number of shares	Market value	Number of shares	Market value
	(Rupees in 000)		(Rupees in 000)	
Faysal Bank Limited	46,145	931	46,145	1,064
Hascol Petroleum Limited	1,861	8	1,861	8
Kohinoor Textile Mills Limited	5,348	272	5,348	267
Pakistan State Oil Company Limited	1,999	222	1,999	344
	<u>55,353</u>	<u>1,433</u>	<u>55,353</u>	<u>1,683</u>

5.2 Government securities - Market Treasury Bills

Issue date	Maturity Date	Yield	Tenor in months	Face value				Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of	
				As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023				total investments of the Fund	net assets of the Fund
				(Rupees in 000)							(%)	
March 10, 2022	September 8, 2022	15.20%	3	-	80,000	80,000	-	-	-	-	-	
June 30, 2022	September 22, 2022	15.15%	3	-	80,000	80,000	-	-	-	-	-	
July 28, 2022	October 20, 2022	15.19%	3	-	80,000	80,000	-	-	-	-	-	
January 26, 2023	April 20, 2023	17.82%	3	-	75,000	75,000	-	-	-	-	-	
April 28, 2022	July 28, 2022	13.40%	3	-	60,000	60,000	-	-	-	-	-	
June 2, 2022	August 25, 2022	14.80%	3	-	80,050	80,050	-	-	-	-	-	
July 14, 2022	October 6, 2022	15.14%	3	-	80,000	80,000	-	-	-	-	-	
August 11, 2022	November 3, 2022	15.25%	3	-	80,000	80,000	-	-	-	-	-	
August 11, 2022	November 3, 2022	15.30%	3	-	83,020	83,020	-	-	-	-	-	
November 3, 2022	January 26, 2023	15.70%	3	-	150,000	150,000	-	-	-	-	-	
January 26, 2023	April 20, 2023	17.82%	3	-	75,000	75,000	-	-	-	-	-	
Total as at June 30, 2023									-	-	-	
Total as at June 30, 2022									-	-	-	

5.3 Corporate sukuk certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Matured / disposed off during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised diminution as at June 30, 2023	Percentage in relation to		
					Number of certificates	Rs in '000		%						
					Total market value of investments	Net assets of the Fund								
POWER GENERATION AND DISTRIBUTION														
The Hub Power Company Limited (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Quarterly	August 22, 2023	3 Months KIBOR plus base rate	500	-	-	500	14,453	12,537	(1,916)	3.00%	2.56%	
Total as at June 30, 2023									14,453	12,537	(1,916)	3.00%	2.56%	
Total as at June 30, 2022									38,497	39,454	957	5.52%	5.02%	

5.4 Term finance certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Matured / disposed off during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised diminution as at June 30, 2023	Percentage in relation to		
					Number of certificates	Rs in '000		%						
					Total market value of investments	Net assets of the Fund								
COMMERCIAL BANKS														
Soneri Bank Limited - TFC (Face value of Rs. 100,000 per certificate)	A+, PACRA	Semi-annually	December 26, 2032	6 Months KIBOR plus base rate of 1.70%	-	200	-	200	20,000	19,589	(411)	4.69%	4.00%	
Total as at June 30, 2023									20,000	19,589	(411)	4.69%	4.00%	
Total as at June 30, 2022									-	-	-	-	-	

5.5 Commercial paper

Name of the investee company	Rating	Face value				Market value as at June 30, 2023	Carrying value as at June 30, 2023	Unrealised appreciation as at June 30, 2023	Percentage in relation to	
		As at July 1, 2022	Purchased during the year	Sold / Matured during the year	As at June 30, 2023				Total market value of the investment	Net assets of the Fund
(Rupees in 000)										
Power generation and distribution										
China Power Hub Generation Company - CP 101	AA+, PACRA	42,000	-	42,000	-	-	-	-	-	-
Total as at June 30, 2023						-	-	-	-	-
Total as at June 30, 2022						40,488	40,488	-	5.67%	5.15%

2023 **2022**
Note ----- (Rupees in '000) -----

5.6 Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net

Market value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	417,307	714,591
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	<u>452,758</u>	<u>838,138</u>
		<u>(35,451)</u>	<u>(123,547)</u>

6 PROFIT AND DIVIDEND RECEIVABLE

Profit receivable on bank balances	1,814	290
Profit receivable on sukuk certificates	397	681
Dividend receivable	<u>46</u>	<u>52</u>
	<u>2,257</u>	<u>1,023</u>

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with the Central Depository Company of Pakistan Limited*	100	100
Security deposit with National Clearing Company of Pakistan Limited	2,750	2,750
Prepaid annual rating fee	154	170
Advance tax	7.1 432	432
	<u>3,436</u>	<u>3,452</u>

* related party balance

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding taxes on profit on bank balances, dividends and debt to the Fund have been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholders. The taxes withheld on profit on bank balances, dividends and debt securities amount to Rs 0.432 million (2022: Rs 0.432 million).

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

8	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	2023	2022	
	Note	------(Rupees in '000)-----		
	Remuneration of the Management Company	8.1	825	1,343
	Sindh sales tax on remuneration of the Management Company	8.2	107	175
	Federal excise duty on remuneration of the Management Company	8.3	16,000	16,000
	Federal excise duty on sales load	8.3	3,733	3,733
	Reimbursement of allocated expenses payable	8.4	261	436
	Reimbursement of selling and marketing expenses payable	8.5	1,697	2,835
	Sales load and transfer load payable		-	767
	Sindh sales tax on sales load payable		-	100
	ADC charges payable including Sindh sales tax		18	18
			<u>22,641</u>	<u>25,407</u>

- 8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration under the following rates:

Rate applicable from July 1, 2022 to June 30, 2023	Rate applicable from February 2, 2022 to June 30, 2022	Rate applicable from July 1, 2021 to February 1, 2022
2% of average daily net assets	2% of average daily net assets	1.5% of average daily net assets

The remuneration is payable to the Management Company in arrears.

- 8.2 During the year, an amount of Rs. 1.741 million (2022: Rs. 2.422 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 @ 13% (2022: 13%).

- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) 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, HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (HSC) 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 19.733 million (2022: Rs 19.733 million) is being retained in these financial statements of the Fund as the matter is pending before the HSC. 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. 0.62 (2022: Re. 0.39) per unit.

- 8.4 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses for 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:

Rate applicable from July 1, 2022 to June 30, 2023	Rate applicable from July 26, 2021 to June 30, 2022	Rate applicable from July 1, 2021 to July 25, 2021
0.2% of average annual net assets	0.2% of average annual net assets	0.15% of average annual net assets

- 8.5 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.

Accordingly, the Management Company has currently charged selling and marketing expenses at following rates:

Rate applicable from July 1, 2022 to June 30, 2023	Rate applicable from July 1, 2021 to September 19, 2021	Rate applicable from September 20, 2021 to February 1, 2022	Rate applicable from February 2, 2022 to June 30, 2022
1.3% of average daily net assets	1.75% of average daily net assets	1.8% of average daily net assets	1.3% of average daily net assets

		2023	2022
9	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	----- (Rupees in '000) -----
	Trustee fee payable	9.1	87
	Sindh sales tax payable on Trustee fee	9.2	11
		<u>98</u>	<u>157</u>

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged fee at the rate of 0.2% (2022: 0.2%) of daily net assets per annum.

- 9.2 During the year, an amount of Rs 0.174 million (2022: Rs 0.270 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).

		2023	2022
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- (Rupees in 000) -----
	Annual fee payable	10.1	134
		<u>134</u>	<u>224</u>

- 10.1 Under the provision of NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the SECP, an amount equal to 0.02% (2022: 0.02%) of the average annual net assets of the Fund.

		2023	2022
11	ACCRUED EXPENSES AND OTHER LIABILITIES	----- Rupees in '000 -----	----- Rupees in '000 -----
	Auditors' remuneration payable	621	580
	Brokerage charges payable	107	33
	Settlement charges payable	305	90
	Withholding tax payable	1,946	84
	Capital gain tax payable	6	42
	Legal and professional charges payable	147	143
	Printing charges payable	32	47
	Others	210	74
		<u>3,374</u>	<u>1,093</u>

12 CONTINGENCIES AND COMMITMENTS

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

13 NUMBER OF UNITS IN ISSUE	2023	2022
	----- Number -----	
Total units in issue at the beginning of the year	50,744,805	86,091,518
Units issued during the year	11,717,158	17,201,508
Less: units redeemed during the year	<u>(30,743,450)</u>	<u>(52,548,221)</u>
Total units in issue at the end of the year	<u><u>31,718,513</u></u>	<u><u>50,744,805</u></u>

14 NET ASSET VALUE PER UNIT

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

15 AUDITORS' REMUNERATION	2023	2022
	-----Rupees in '000-----	
Annual audit fee	517	484
Half yearly review	207	193
Other certification	100	110
Out of pocket expenses	140	77
	<u><u>964</u></u>	<u><u>864</u></u>

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2023 is 4.37% (June 30, 2022: 4.19%) which includes 0.30% (June 30, 2022: 0.26%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation 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 manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

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 WITH CONNECTED PERSONS AND RELATED PARTIES

- 19.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 19.2** Transactions with connected persons / related parties essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 19.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008.
- 19.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of 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 The details of 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	13,395	18,632
Sindh sales tax on remuneration of the Management Company	1,741	2,422
Reimbursement of allocated expenses	1,340	2,187
Reimbursement of selling and marketing expenses	8,707	18,163
Sales load and Sindh sales tax on sales load	631	3,290
ADC charges including Sindh sales tax	-	12
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	1,340	2,080
Sindh sales tax on remuneration of the Trustee	174	270
Settlement charges	21	61
National Clearing Company of Pakistan - common directorship *		
NCCPL charges	-	239
NBP Financial Sector Fund		
Shares sold: Nil shares (2022: 50,000 shares)	-	7,236
Employees of the Management Company		
Units issued / transferred in: 3,490 units (2022: 259,676 units)	55	4,357
Units redeemed / transferred out: 24,329 units (2022: 407,618 units)	373	6,820
Dividend re-invest units issued: 281 units (2022: Nil units)	4	-

	2023	2022
	----- Rupees in '000 -----	
Portfolios managed by the Management Company		
Units issued / transferred in: 1,756,212 units (2022: 183,796 units)	27,000	3,098
Units redeemed / transferred out: 3,601,544 units (2022: 3,249,376 units)	56,406	55,143
Dividend re-invest units issued: 22,632 units (2022: Nil units)	350	-
International Steels Limited - common directorship		
Shares sold: Nil shares (2022: 26,899 shares)	-	1,955
Gul Ahmed Textile Mills Limited - common directorship		
Shares purchased / bonus (right) : 44,514 shares (2022: 19,800 shares)	58,300	691
Shares sold: 40,000 shares (2022: 40,500 shares)	1,006,991	2,006
Fauji Fertilizer Company Limited - common directorship		
Shares purchased: 16,200 shares (2022: 38,500 shares)	1,668	4,020
Shares sold: 18,800 shares (2022: 115,800 shares)	1,944	12,793
Dividend income	2,857	6,548
BankIslami Pakistan Limited - common directorship *		
Profit on bank balance	-	92
Telenor Microfinance Bank Limited - common directorship		
Profit on bank balance	27	18
Khushhali Bank Limited - common directorship *		
Profit on bank balance	89	2,500
Ronak Iqbal Lakhani - unit holder with more than 10% holding		
Units redeemed / transferred out: 4,984,283 units (2022: Nil units)	75,000	-
Dividend re-invest units issued: 116,958 units (2022: Nil units)	1,808	-
Aftab F. Tapal - unit holder with more than 10% holding***		
Units issued / transferred in: 113,518 units (2022: Nil units)	1,755	-
Khalid Mehmood - Chief Financial Officer **		
Dividend re-invest units issued: 1 unit (2022: Nil units)	-	-
Taurus Securities Limited - Subsidiary of Parent of the Management Company		
Brokerage expense	38	36
19.7 Amounts outstanding as at year end are as follows:		
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	825	1,343
Sindh sales tax on remuneration of the Management Company	107	175
Federal excise duty on sales load	3,733	3,733
Federal excise duty on remuneration of the Management Company	16,000	16,000
Reimbursement of allocated expenses payable	261	436
Reimbursement of selling and marketing expenses	1,697	2,835
Sales and transfer load payable	-	767
Sindh sales tax on sales load payable	-	100
ADC charges payable including Sindh sales tax	18	18

	2023	2022
	----- Rupees in '000 -----	
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	87	139
Sindh sales tax on remuneration of the Trustee	11	18
CDS charges payable	157	60
Security deposit	100	100
National Clearing Company of Pakistan - common directorship *		
Security deposit	-	2,750
NCCPL charges payable	-	30
National Bank of Pakistan - Parent of the Management Company		
Bank balances	425	462
Fauji Fertilizer Company Limited - common directorship		
Shares held: 226,900 shares (2022: 229,500 shares)	22,336	25,295
Gul Ahmed Textile Mills Limited - common directorship		
Shares held: 252,086 shares (2022: 247,572 shares)	4,490	8,370
BankIslami Pakistan Limited - common directorship *		
Bank balances	-	356
Employees of the Management Company		
Units held: 13,291 units (2022: 33,849 units)	205	524
Portfolios managed by the Management Company		
Units held: 122,565 units (2022: 2,015,511 units)	1,895	31,202
Khalid Mehmood - Chief Financial Officer **		
Units held: 21 units (2022: 20 units)	-	-
Ronak Iqbal Lakhani - unit holder with more than 10% holding		
Units held: 5,046,258 units (2022: 9,913,583 units)	78,005	153,474
Aftab F. Tapal - unit holder with more than 10% holding ***		
Units held: 4,897,803 units (2022: Nil units)	75,710	-
Telenor Microfinance Bank Limited - common directorship		
Bank balance - savings account	3	3
Profit receivable on bank balance	21	-
Khushhali Bank Limited - common directorship *		
Bank balance - savings account	-	2,423
Profit receivable on bank balance	-	1

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

** Nil due to rounding off.

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

20 FINANCIAL INSTRUMENTS BY CATEGORY

----- 2023 -----			
At amortised cost	At fair value through profit or loss	Total	
-----Rupees in '000-----			
Financial assets			
Bank balances	98,278	-	98,278
Investments	-	417,307	417,307
Profit and dividend receivable	2,257	-	2,257
Receivable against sale of investments	6,541	-	6,541
Deposits	2,850	-	2,850
	<u>109,926</u>	<u>417,307</u>	<u>527,233</u>
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	22,641	-	22,641
Payable to the Central Depository Company of Pakistan Limited - the Trustee	98	-	98
Payable against redemption of units	11,268	-	11,268
Accrued expenses and other liabilities	1,422	-	1,422
	<u>35,429</u>	<u>-</u>	<u>35,429</u>
----- 2022 -----			
At amortised cost	At fair value through profit or loss	Total	
-----Rupees in '000-----			
Financial assets			
Bank balances	88,796	-	88,796
Investments	-	714,591	714,591
Profit and dividend receivable	1,023	-	1,023
Receivable against issuance of units	10,150	-	10,150
Deposits	2,850	-	2,850
	<u>102,819</u>	<u>714,591</u>	<u>817,410</u>
Financial Liabilities			
Payable to NBP Fund Management Limited - the Management Company	25,407	-	25,407
Payable to the Central Depository Company of Pakistan Limited - the Trustee	157	-	157
Payable against redemption of units	5,543	-	5,543
Accrued expenses and other liabilities	967	-	967
	<u>32,074</u>	<u>-</u>	<u>32,074</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

21.1 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: yield / profit rate risk, currency risk, and price risk.

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks, investment in sukuk certificates and investment in term finance certificates. 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, corporate sukuks certificates and term finance certificates which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 1.30 million (2022: Rs 1.28 million).

b) Sensitivity analysis for fixed rate instruments

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

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

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

The Fund's 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 - 22.60	97,970	-	-	308	98,278
Investments	23.83 - 23.95	12,537	19,589	-	385,181	417,307
Profit and dividend receivable		-	-	-	2,257	2,257
Receivable against sale of investments		-	-	-	6,541	6,541
Deposits		-	-	-	2,850	2,850
		110,507	19,589	-	397,137	527,233
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	22,641	22,641
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	98	98
Accrued expenses and other liabilities		-	-	-	1,422	1,422
Payable against redemption of units		-	-	-	11,268	11,268
		-	-	-	35,429	35,429
On-balance sheet gap		110,507	19,589	-	361,708	491,804
Total profit rate sensitivity gap		110,507	19,589	-		
Cumulative profit rate sensitivity gap		110,507	130,096	130,096		

----- 2022 -----						
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- Rupees in '000 -----						
Financial assets						
Bank balances	12.25 - 17.00	88,488	-	-	308	88,796
Investments	13.50 - 16.50	79,942	-	-	634,649	714,591
Profit and dividend receivable		-	-	-	1,023	1,023
Receivable against issuance of units		-	-	-	10,150	10,150
Deposits		-	-	-	2,850	2,850
		168,430	-	-	648,980	817,410
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	25,407	25,407
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	157	157
Payable against redemption of units		-	-	-	5,543	5,543
Accrued expenses and other liabilities		-	-	-	967	967
		-	-	-	32,074	32,074
On-balance sheet gap		168,430	-	-	616,906	785,336
Total profit rate sensitivity gap		168,430	-	-		
Cumulative profit rate sensitivity gap		168,430	168,430	168,430		

(ii) Currency risk

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

(iii) Price risk

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

The Fund has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 5.1.

In case of 5% increase / decrease in KMI 30 index on June 30, 2023, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 19.529 million (2022: Rs. 31.732 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at 'fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

21.2 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 market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

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

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

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to the Central Depository Company of Pakistan Limited - the Trustee
Payable against redemption of units
Accrued expenses and other liabilities

22,641	-	-	-	-	-	22,641
98	-	-	-	-	-	98
11,268	-	-	-	-	-	11,268
801	621	-	-	-	-	1,422
34,808	621	-	-	-	-	35,429

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

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

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to the Central Depository Company of Pakistan Limited - the Trustee
Payable against redemption of units
Accrued expenses and other liabilities

25,407	-	-	-	-	-	25,407
157	-	-	-	-	-	157
5,543	-	-	-	-	-	5,543
387	580	-	-	-	-	967
31,494	580	-	-	-	-	32,074

21.3 Credit risk

21.3.1 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
Financial assets	----- Rupees in '000 -----			
Bank balances	98,278	98,278	88,796	88,796
Investments	417,307	32,126	714,591	79,942
Profit and dividend receivable	2,257	2,257	1,023	1,023
Receivable against sale of investments	6,541	6,541	10,150	10,150
Deposits	2,850	2,850	2,850	2,850
	<u>527,233</u>	<u>142,052</u>	<u>817,410</u>	<u>182,761</u>

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

21.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2023	2022
Bank balances and accrued profit thereon		
AAA	0.15%	0.89%
AA+	1.44%	9.39%
AA-	16.34%	0.22%
A	0.99%	-
Corporate sukuk certificates		
AA+	2.38%	5.14%
Term finance certificates		
A+	3.72%	-
Commercial paper		
AA+	-	5.37%
	<u>25.02%</u>	<u>21.01%</u>

21.3.3 Concentration of credit risk

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

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

22 FAIR VALUE MEASUREMENT

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

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

Financial assets which are 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.

22.1 Fair value hierarchy

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

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

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

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

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

----- As at June 30, 2023 -----				
	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	----- Rupees in '000-----			
Listed equity securities	385,181	-	-	385,181
Corporate sukuk certificates	-	12,537	-	12,537
Term finance certificates	-	19,589	-	19,589
	<u>385,181</u>	<u>32,126</u>	<u>-</u>	<u>417,307</u>
----- As at June 30, 2022 -----				
	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	----- Rupees in '000-----			
Listed equity securities	634,649	-	-	634,649
Corporate sukuk certificates	-	39,454	-	39,454
Commercial papers*	-	40,488	-	40,488
	<u>634,649</u>	<u>79,942</u>	<u>-</u>	<u>714,591</u>

* The valuation of commercial papers has been done based on amortisation to their fair value as per the guidelines given in circular 33 of 2012 issued by the SECP as the residual maturity of these investments is less than six months and are placed with counter parties which have high credit rating.

23 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, 2008 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 21, 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.

24 UNIT HOLDING PATTERN OF THE FUND

Category	----- 2023 -----			----- 2022 -----		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	909	348,532	71.08%	1,026	573,881	73.05%
Retirement funds	9	122,428	24.97%	18	192,725	24.53%
Others	5	19,344	3.95%	6	18,982	2.42%
	<u>923</u>	<u>490,304</u>	<u>100.00%</u>	<u>1,050</u>	<u>785,588</u>	<u>100.00%</u>

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

-----2023 -----		-----2022 -----	
Name of Brokers	Percentage of commission paid	Name of Brokers	Percentage of commission paid
Taurus Securities Limited	9.50%	Aba Ali Habib Securities (Pvt) Limited	1.98%
Foundation Securities (Private) Limited	8.36%	Arif Habib Securities Limited	6.90%
BMA Capital Management Limited	6.70%	Multi Line Securities	6.31%
Alfalah CLSA Securities (Pvt) Limited	5.06%	Insight Securities (Pvt.) Limited	5.24%
Optimus Capital Management Limited	4.40%	Topline Securities Limited	5.17%
Insight Securities (Private) Limited	4.28%	Taurus Securities Limited	5.06%
Intermarket Securities	4.23%	Intermarket Securities	4.52%
Topline Securities Limited	4.20%	D.J.M Securities (Pvt) Limited	3.87%
Aqeel Karim Dehdi Securities (Pvt) Limited	4.11%	Aqeel Karim Dehdi Securities (Pvt) Limited	3.79%
EFG Hermes Pakistan Limited	3.97%	EFG Hermes Pakistan Limited	3.74%

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

26.1 The name of the Fund Manager is Asim Wahab Khan. Other funds managed by the Fund Manager are as follows:

- NBP Islamic Sarmaya Izafa Fund
- NBP Islamic Stock Fund
- NAFA Islamic Pension Fund
- NBP Islamic Capital Preservation Plan VI
- NBP Balanced Fund
- NBP Stock Fund
- NBP Financial Sector Fund
- NBP Pakistan Growth Exchange Traded Fund
- NAFA Pension Fund

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Directors	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	6	6	-	-
Tauqeer Mazhar	6	5	1	91st Meeting
Mehnaz Salar	6	6	-	-
Ali Saigol	6	6	-	-
Imran Zaffar	6	5	1	89th Meeting
Khalid Mansoor	6	6	-	-
Saad Amanullah Khan	6	6	-	-
Humayun Bashir (note 27.1)	2	2	-	-
Ruhail Muhammad (note 27.2)	3	3	-	-
Dr. Amjad Waheed	6	6	-	-

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

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

28 GENERAL

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

29 DATE OF AUTHORISATION FOR ISSUE

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

Particulars	For the year ended June 30, 2023	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2018
Net assets (Rs. '000')	490,304	785,588	1,454,047	1,258,442	1,769,397	3,139,554
Net Income (Rs. '000')	13,563	(67,170)	247,784	99,307	(208,875)	(248,202)
Net Asset Value per units (Rs.)	15.4580	15.4812	16.8895	14.6242	14.4623	15.8337
Offer price per unit	15.9820	16.0060	17.4621	15.1200	14.9522	16.3705
Redemption price per unit	15.4580	15.4812	16.8895	14.6242	14.4623	15.8337
Ex - Highest offer price per unit (Rs.)	16.3934	18.1943	17.9437	17.2273	16.8863	17.6826
Ex - Lowest offer price per unit (Rs.)	14.5363	15.8146	14.7238	12.6816	14.8811	15.2392
Ex - Highest redemption price per unit (Rs.)	15.8558	17.5977	17.3554	16.6625	16.3329	17.1028
Ex - Lowest redemption price per unit (Rs.)	14.0596	15.2961	14.2410	12.2658	14.3932	14.7395
Fiscal Year Opening Ex Nav	15.0597	16.89	14.1273	13.5168	15.8337	16.9877
Total return of the fund	2.64%	-8.30%	19.55%	8.19%	-8.66%	-6.79%
Capital growth	-0.15%	-8.30%	16.03%	1.20%	-8.66%	-6.79%
Income distribution as % of Ex-NAV	2.80%	-	3.52%	7.06%		
Income distribution as % of Par Value	4.32%	-	6.03%	10.22%		
Interim distribution per unit	0.4316	-	0.6034	1.0216		
Final distribution per unit		-	-	-		
Distribution dates						
Interim	27-Jun-23		25/Jun/2021	24/Jun/2020		
Final						
Average annual return (launch date 20-08-2010)						
(Since inception to June 30, 2023)	10.70%					
(Since inception to June 30, 2022)		11.40%				
(Since inception to June 30, 2021)			13.43%			
(Since inception to June 30, 2020)				12.82%		
(Since inception to June 30, 2019)					13.36%	
(Since inception to June 30, 2018)						16.52%
(Since inception to June 30, 2017)						
(Since inception to June 30, 2016)						
(Since inception to June 30, 2015)						

PROXY ISSUED BY THE FUND

The proxy voting policy of **NBP Sarmaya Izafa Fund** duly approved by Board of Directors of the Management Company, is available on the website of NBP Fund Management Limited i.e. www.nbpfunds.com. A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

NBP SARMAYA IZAFI FUND			
Resolutions	For	Against	Abstain*
15	15	Nil	N/A
100%	100%	-	-

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