



*Managing Your Savings*

**NBP Fund Management Limited**



## **NBP BALANCED FUND**

**QUARTERLY** REPORT  
SEPTEMBER 30, 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
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

### Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Tauqeer Mazhar	Member

### Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	Member

### Trustee

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block "B" S.M.C.H.S.,  
Main Shakra-e-Faisal, Karachi.

### Bankers to the Fund

Allied Bank Limited	MCB Bank Limited
Askari Bank Limited	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan
Bank Al Habib Limited	Zarai Taraqati Bank Limited
Bank Islami Pakistan Limited	Dubai Islamic Bank Limited
Faysal Bank Limited	Soneri Bank Limited
Habib Bank Limited	Summit Bank Limited
Habib Metropolitan Bank Limited	United Bank Limited
JS Bank Limited	

## **Auditors**

Grant Thornton Anjum Rahman.  
1st & 3rd Floor,  
Modern Motors House, Beaumont Road,  
Karachi, 75530

## **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

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited condensed Interim financial statements of **NBP Balanced Fund (NBF)** for the quarter ended September 30, 2023.

### Fund's Performance

The size of NBP Balanced Fund has increased from Rs. 666 million to Rs. 703 million during the period, i.e., an increase of 6%. During the period, the unit price of NBP Balanced Fund (NBF) has increased from Rs. 18.1595 on June 30, 2023 to Rs. 19.6338 on September 30, 2023, thus showing an increase of 8.1%. The Benchmark increase during the same period was 10.1%. Thus, the Fund has underperformed its Benchmark by 2.0% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.3753 (Ex-Div) on January 19, 2007 to Rs. 19.6338 on September 30, 2023, thus showing an increase of 481.7%. During the said period, the Benchmark increased by 299.0%, translating into outperformance of 182.7%. This performance is net of management fee and all other expenses.

During 1QFY24, equities displayed sharp rebound as the benchmark KSE-100 index rose considerably by 4,780 points, translating into a robust return of 11.5% for the period.

The stock market has started off the year on a solid footing. The Staff Level Agreement (SLA) signed with IMF on 29th June was the pivotal point that changed investors' sentiment and the course of stock market. Soon after, the IMF executive board also accorded its approval to USD 3 billion Stand-By-Agreement (SBA) for nine months till March-24. Coinciding with this, the country received USD 2 billion from Saudi Arabia and later on UAE also approved a deposit of USD 1 billion. It was followed by the receipt of first loan tranche of USD 1.2 billion of SBA from IMF. Fitch also upgraded Pakistan's Long-Term Foreign Currency Issuer Rating. Following the SLA, Pakistan's dollar bonds also rallied in the international market. After resumption of IMF program, import restrictions were lifted, and as payment backlog was gradually cleared, current account deficit resurfaced clocking in at USD 935 million during 2MFY24 with workers remittances also dropping by 20% on a yearly basis to USD 6.3 billion during 1Q. Foreign exchange market remained tumultuous during the period as PKR exhibited sharp movements due to inadequate reserves & abnormal demand in the kerb market, which also put pressure on the interbank rates. However, timely administrative measures & crack down on illicit trades provided stability. Inflation reading on a sequential basis has tapered off, but still remained elevated averaging around 29% during 1Q, due to massive increase in energy component of the CPI basket and unabated increase in food inflation. During the quarter, Monetary Policy Committee (MPC) of SBP kept the Policy Rate unchanged at 22%, citing that economic uncertainty has diminished, and also pointed out towards likely downward path of inflation over the next 12 months, particularly latter half of FY24. Despite the economic headwinds, the listed corporate space continued to announce impressive results. During June quarter, cumulative profitability of the KSE-100 index has surged by a whopping 66% YoY, while overall FY23 profitability has surged by around 20% on a yearly basis, despite imposition of higher super tax.

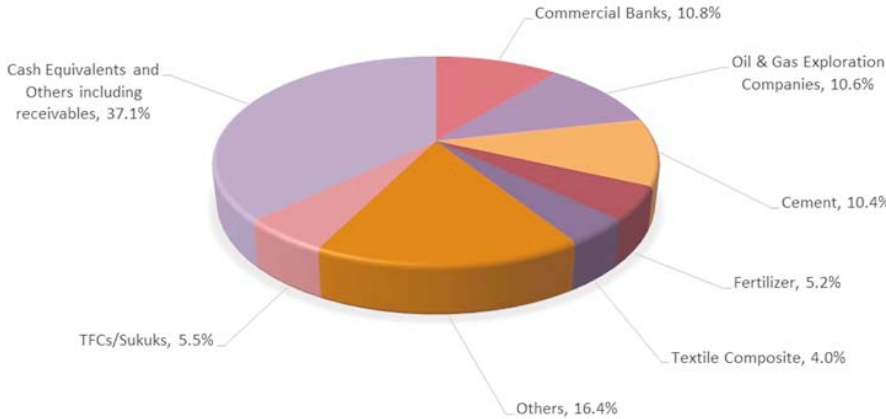
In terms of sector wise performance, Auto Parts & Accessories, Chemicals, Commercial Banks, Oil & Gas Exploration, Power Generation & Distribution, Refinery, Transport sectors outperformed the market. On the other hand, Auto Assemblers, Cable & Electrical Goods, Cements, Engineering, Fertilizers, Food & Personal Care, Glass & Ceramics, Insurance, Miscellaneous, Paper & Board, Pharmaceutical, Technology & Communication, and Textile Composite sectors lagged the market. On participants-wise market activity, Insurance, Companies and Foreigners emerged the largest net buyers with inflows of around USD 45 million, USD 25 million & USD 22 million, respectively. On the contrary, Banks/DFIs & Mutual Funds lowered their net holdings by around USD 43 million and USD 38 million, respectively.

During the quarter, two Monetary Policy Committee meetings were held and SBP maintained the policy rate at 22%. The stress on external accounts and PKR continued as fiscal discipline remained weak, though PKR depreciation was eventually brought under control with administrative measures. Inflation as measured by the CPI averaged at 29% for the quarter. With the recent surge in oil prices and expected hike in gas tariffs, the inflation is expected to remain elevated in the near term, though a decline is expected from next half as high base effect kicks in. The upcoming debt repayments and weak investment inflows will exert pressure on FX reserves. The net liquid foreign exchange reserves with SBP as at 28-Sep-23 stand at USD 7.62 billion (down by USD 543.8 million compared to July 2023); this signifies grave challenges & risks to financial stability. SBP held three PIB auctions, where bids worth around Rs. 189 billion were realized. Sovereign yields responded equally to the economic uncertainty and rising inflationary pressures and kept

the market participants' interests tilted primarily towards shorter tenures securities. The corporate bond activity remained thin with overall traded value of Rs. 2.10 billion, increasing by 6% as compared to that of last year same period.

NBP Balanced Fund earned total income of Rs. 63.30 million during the period. After deducting total expenses of Rs. 9.49 million, the net income is Rs. 53.81 million.

The asset allocation of the Fund as on September 30, 2023 is as follows:



### NBF Performance versus Benchmark



### 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: October 30, 2023

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2023ء کو ختم ہونے والی سہ ماہی کے لئے NBP-بیلنسڈ فنڈ (NBF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

NBP-بیلنسڈ فنڈ (NBF) کا سا سز اس مدت کے دوران 666 ملین روپے سے بڑھ کر 703 ملین روپے ہو گیا، یعنی %6 کا اضافہ ہوا۔ اس مدت کے دوران NBP-بیلنسڈ فنڈ (NBF) کے پونٹ کی قیمت 30 جون 2023 کو 18.1595 روپے سے بڑھ کر 30 ستمبر 2023 کو 19.6338 روپے پر پہنچ چکی ہے۔ لہذا %8.1 کا اضافہ دیکھنے میں آیا۔ اسی مدت کے دوران بیچ مارک بڑھ کر %10.1 ہو گیا۔ لہذا فنڈ نے زیر جانزداری مدت کے دوران اپنے بیچ مارک سے %2.0 اترا کر کارکردگی دکھائی۔ اپنے قیام سے اب تک فنڈ کی NAV 19 جنوری 2007 کو 3.3753 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2023 کو 19.6338 روپے ہو گئی، لہذا %481.7 کا اضافہ ہوا۔ اس مدت کے دوران، بیچ مارک میں %299.0 اضافہ ہوا۔ جس کا نتیجہ فنڈ کی %182.7 بہتر کارکردگی کی صورت میں سامنے آیا ہے۔ فنڈ کی بیکارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 24 کی پہلی سہ ماہی کے دوران، ایکویٹی نے تیز ترین بحالی کا مظاہرہ کیا کیونکہ بیچ مارک KSE-100 انڈیکس میں 4,780 پوائنٹس کا نمایاں اضافہ ہوا، لہذا اس مدت کے لیے %11.5 کا مستحکم منافع ہوا۔

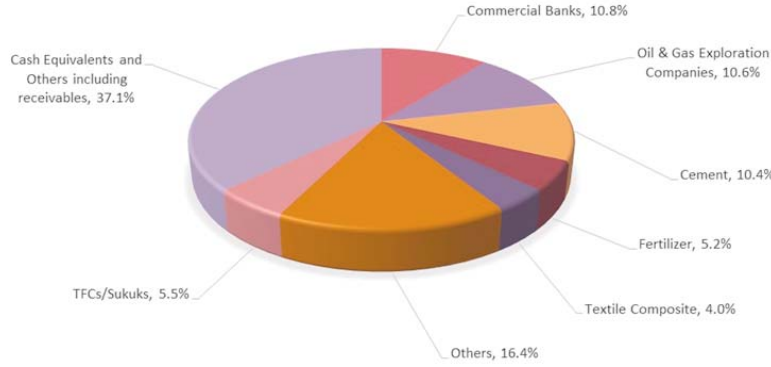
اسٹاک مارکیٹ میں سال کا آغاز ٹھوس بنیادوں پر ہوا ہے۔ 29 جون کو IMF کے ساتھ اسٹاف لیول ایگریمنٹ (SLA) پر دستخط وہ اہم تکتہ تھا جس نے سرمایہ کاروں کے رجحان اور اسٹاک مارکیٹ کا رخ بدل دیا۔ اس کے فوراً بعد، آئی ایم ایف کے ایگزیکٹو بورڈ نے 24 مارچ تک نومبر کے لیے %3 بلین امریکی ڈالر کے اسٹینڈ بائی ایگریمنٹ (SBA) کی منظوری بھی دی۔ اس کے ساتھ ہی، ملک کو سعودی عرب سے %2 بلین امریکی ڈالر وصول ہوئے اور اس کے بعد متحدہ عرب امارات نے بھی %1 بلین امریکی ڈالر کی رقم جمع کرانے کی منظوری دی۔ یہ آئی ایم ایف سے SBA کے %1.2 بلین امریکی ڈالر کے قرض کی پہلی قسط کی وصولی کے بعد ہوا۔ Fitch نے پاکستان کی طویل مدتی غیر ملکی کرنسی جاری کرنے والی ریٹنگ کو بھی اپ گریڈ کیا۔ SLA کے بعد بین الاقوامی مارکیٹ میں پاکستان کے ڈالر بانڈز میں بھی تیزی آئی۔ IMF پروگرام کے دوبارہ شروع ہونے کے بعد، درآمدی پابندیاں ہٹادی گئیں، اور ادا دینگیوں کا بیک لاگ بتدریج واضح، مالی سال 24 کے %2 کے دوران کرنٹ اکاؤنٹ خسارہ %935 بلین امریکی ڈالر تک اور کارکنوں کی تسلیات زرمیں سالانہ بنیادوں پر %20 فیصد کم ہو کر پہلی سہ ماہی کے دوران %6.3 بلین امریکی ڈالر تک پہنچ گئیں۔ غیر ملکی زرمبادلہ مارکیٹ اس عرصے کے دوران کشیدہ رہی کیونکہ پاکستانی روپیہ نے کافی ذخائر اور کرب مارکیٹ میں غیر معمولی طلب کی وجہ سے تیز محرکات کا مظاہرہ کیا، جس نے انٹرنیٹ ریٹ پر بھی دباؤ ڈالا۔ تاہم، بروقت انتظامی اقدامات اور غیر قانونی تجارت کے خلاف کریک ڈاؤن نے استحکام فراہم کیا۔ CPI باسکٹ کے اہم اجزاء میں بڑے پیمانے پر اضافہ اور غذائی افراط زر میں بہت زیادہ اضافہ کی وجہ سے، مسلسل بنیادوں پر افراط زر کی شرح کم ہوئی، لیکن پھر پہلی سہ ماہی کے دوران اور اوسطاً %29 فیصد کے قریب رہی۔ سہ ماہی کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے پالیسی شرح کو %22 پر برقرار رکھا، بیان کیا کہ اقتصادی غیر یقینی صورتحال بہتر ہوئی ہے، اور اگلے %12 مہینوں میں، خاص طور پر مالی سال 24 کی آخری ششماہی میں افراط زر کے ممکنہ ہونے کے امکان ہیں۔ اقتصادی مشکلات کے باوجود سڈ کپنٹیوں نے متاثر کن نتائج کا اعلان کیا۔ جون سہ ماہی کے دوران، KSE-100 انڈیکس کے مجموعی منافع میں سالانہ بنیادوں پر %66 کا اضافہ ہوا، جب کہ، بلند سیرنگس کے نفاذ کے باوجود، مالی سال 23 کے مجموعی منافع میں سالانہ بنیادوں پر تقریباً %20 کا اضافہ ہوا۔

سیکٹر وار کارکردگی کے لحاظ سے، آٹو پارٹس اینڈ ایئر کونڈیشنرز، کیمیکل، کمرشل بینک، آئل اینڈ گیس ایکسپلوریشن، پاور جنریشن اینڈ ڈسٹری بیوشن، ری فائنری، ٹرانسپورٹ سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب آٹو اسمبلرز، کیمیکل اینڈ الیکٹریکل گڈز، سیمینٹ، انجینئرنگ، فریٹ لائزرز، فوڈ اینڈ پوسٹل سیکٹر، گلاس اینڈ سیرامکس، انشورنس، متفرق، سپر اینڈ بورڈ، فارماسیوٹیکل، ٹیکسٹائل اور کمپوٹیشن، اور ٹیکسٹائل کمپوزٹ شعبوں نے مارکیٹ سے اترا کر کارکردگی کا مظاہرہ کیا۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، انشورنس، کمپنیاں اور غیر ملکی بالتز تیب %45 بلین امریکی ڈالر، %25 بلین امریکی ڈالر اور %22 بلین امریکی ڈالر کی آمد کے ساتھ اہم خالص خریدار ہے۔ اس کے برعکس، بینک/DFIs اور میچوئل فنڈز نے بالتز تیب %43 بلین امریکی ڈالر اور %38 بلین امریکی ڈالر تک اپنی خالص ہولڈنگز کو کم کر دیا۔

سہ ماہی کے دوران، مانیٹری پالیسی کمیٹی کے دو اجلاس منعقد ہوئے اور اسٹیٹ بینک نے پالیسی شرح کو %22 پر برقرار رکھا۔ بیرونی کھاتوں اور پاکستانی روپیہ پر دباؤ جاری رہا کیونکہ مالی نظم و ضبط کمزور رہا، حالانکہ پاکستانی روپیہ کی قدر میں کمی کو بالآخر انتظامی اقدامات سے قابو میں لایا گیا۔ CPI کی طرف سے پیش کردہ مہنگائی اس سہ ماہی کے لئے اوسطاً %29 رہی۔ تیل کی قیمتوں میں حالیہ اضافہ اور گیس کے نرخوں میں متوقع اضافہ کے ساتھ قریب مدت میں مہنگائی کے بلند رہنے کی توقع ہے، حالانکہ اگلی ششماہی سے کمی کی توقع ہے کیونکہ زیادہ تر شروع ہوگا۔ آئندہ قرضوں کی ادائیگی اور کم سرمایہ کاری بہاؤ FX ذخائر پر دباؤ ڈالیں گے۔ 28 ستمبر 23 کو SBP کے ہاں خالص لیکویڈ زرمبادلہ کے ذخائر %7.62 بلین امریکی ڈالر (جولائی 2023 کے مقابلے میں %543.8 بلین امریکی ڈالر کی کمی) ہیں۔ یہ مالیاتی استحکام کے لیے سنگین مشکلات اور خطرات کی نشاندہی کرتا ہے۔ SBP نے تین پی آئی بی نیلا میں کا انعقاد کیا، جس سے %189 بلین روپے کی وصولی ہوئی۔ خود مختار پیداوار نے معاشی غیر یقینی صورتحال اور افراط زر کے بڑھتے ہوئے دباؤ کا یکساں طور پر جواب دیا اور مارکیٹ کے شرکاء کی دلچسپیوں کو بنیادی طور پر مختصر مدت کی سیکورٹیز کی طرف جھکانے رکھا۔ کارپوریٹ بانڈ کی سرگرمی %2.10 بلین روپے کی مجموعی تجارتی قدر کے ساتھ کم رہی، جو کہ پچھلے سال کی اسی مدت کے مقابلے میں %6 فیصد اضافہ ظاہر کر رہی ہے۔



NBP بیلنس فنڈ کو موجودہ سہ ماہی کے دوران 63.30 ملین روپے کی کل آمدنی ہوئی۔ 9.49 ملین روپے کے کل اخراجات منہا کرنے کے بعد خالص آمدنی 53.81 ملین روپے ہے۔ 30 ستمبر 2023 کے مطابق فنڈ کی ایسٹ ایلوکیشن حسب ذیل ہے:



NBF کی کارکردگی بمقابلہ بیچ مارک (اپنے قیام سے)



## اظہار تشکر

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

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

منیاجب بورڈ آف ڈائریکٹرز

**NBP فنڈ اینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2023

مقام: کراچی

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2023

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
Note	-----Rupees in '000 -----	
<b>ASSETS</b>		
Balances with banks	264,601	74,322
Investments	441,991	610,615
Dividend and profit receivable	19,477	2,525
Receivable against sale of investment	931	-
Advances, deposits, prepayments and other receivables	3,826	3,898
<b>Total assets</b>	<b>730,826</b>	<b>691,360</b>
<b>LIABILITIES</b>		
Payable to the Management Company	16,945	4,318
Payable to the Trustee	398	124
Payable to Securities and Exchange Commission of Pakistan	49	152
Payable against purchase of investment	-	5,584
Accrued expenses and other liabilities	9,962	15,388
<b>Total liabilities</b>	<b>27,354</b>	<b>25,566</b>
<b>NET ASSETS</b>	<b>703,472</b>	<b>665,794</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b>703,472</b>	<b>665,794</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-
	-----Number of units-----	
<b>Number of units in issue</b>	<b>35,829,698</b>	<b>36,663,750</b>
	-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>	<b>19.6338</b>	<b>18.1595</b>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended September 30, 2023	Quarter ended September 30, 2022
	Note ----- Rupees in '000 -----	
<b>INCOME</b>		
Gain on sale of investments - net	11,667	25
Income from term finance certificates and sukuk bonds	3,147	3,674
Discount income on government securities	2,170	5,055
Discount income on commercial paper	-	828
Dividend income	10,158	8,463
Profit on bank deposits and term deposits	11,604	2,466
Unrealised appreciation/diminution in the value of investments 'at fair value through profit or loss' - net	24,554	(8,479)
<b>Total Income / (loss)</b>	<b>63,300</b>	<b>12,032</b>
<b>EXPENSES</b>		
Remuneration of the Management Company	4,444	5,170
Sales tax on Remuneration of the Management Company	578	672
Reimbursement of accounting and operational charges to the Management Company	356	414
Reimbursement of selling and marketing expenses charged by the Management Company	2,186	2,688
Remuneration of the Trustee	356	414
Sales tax on Remuneration of the Trustee	46	54
Annual fee - Securities and Exchange Commission of Pakistan	151	41
Securities transaction cost	191	78
Settlement and bank charges	115	93
Annual listing fee	7	7
Auditors' remuneration	194	220
Legal fee and professional charges	38	38
Printing expenses	11	11
Fund's rating fee	79	80
Reversal of impairment on investments classified as available for sale	740	-
<b>Total Expenses</b>	<b>9,492</b>	<b>9,980</b>
<b>Net income for the period before taxation</b>	<b>53,808</b>	<b>2,052</b>
Taxation	-	-
<b>Net income for the period after taxation</b>	<b>53,808</b>	<b>2,052</b>
<b>Earnings per unit</b>	<b>-</b>	<b>-</b>
<b>Allocation of Net income for the period:</b>		
Net income for the year after taxation	53,808	2,052
Income already paid on units redeemed	(985)	-
<b>Accounting income available for distribution:</b>	<b>52,823</b>	<b>2,052</b>
- Relating to Capital Gains	36,221	-
- Excluding Capital Gains	16,602	2,052
<b>Accounting Income available for Distribution</b>	<b>52,823</b>	<b>2,052</b>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended September 30, 2023	Quarter ended September 30, 2022
	----- Rupees in '000 -----	
Net income for the period	53,808	2,052
Other comprehensive income	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>53,808</u>	<u>2,052</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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

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

\_\_\_\_\_  
Director

## CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended September 30, 2023			Quarter Ended September 30, 2022		
	Value	Undistributed income	Total	Value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	(4,420)	670,214	665,794	148,571	670,253	818,824
Issue of 3,410 units (2022: 26,794 units)						
- Capital value	62	-	62	486	-	486
- Element of income	4	-	4	16	-	16
Total proceeds on issuance of units	66	-	66	502	-	502
Redemption of 837,462 units ( 2022: 776,476 units)						
- Capital value	(15,208)	-	(15,208)	(14,083)	-	(14,083)
- Element of loss	(3)	(985)	(988)	(125)	-	(125)
Total payments on redemption of units	(15,211)	(985)	(16,196)	(14,208)	-	(14,208)
Total comprehensive Income / (loss) for the period	-	53,808	53,808	-	2,052	2,052
<b>Net assets at end of the period</b>	<b>(19,565)</b>	<b>723,037</b>	<b>703,472</b>	<b>134,865</b>	<b>672,305</b>	<b>807,170</b>
Undistributed income brought forward						
- Realised income		701,083			776,736	
- Unrealised (loss) / gain		(30,869)			(106,483)	
		670,214			670,253	
Accounting income available for distribution:						
- Relating to capital gains	36,221			-		
- Excluding capital gains	16,602			2,052		
	52,823			2,052		
Net loss for the period	-			-		
Undistributed income carried forward		723,037			672,305	
Undistributed income carried forward						
- Realised income		698,483			680,784	
- Unrealised gain/(loss)		24,554			(8,479)	
		723,037			672,305	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			18.1595			18.1367
Net assets value per unit at end of the period			19.6338			18.1805

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended September 30, 2023	Quarter ended September 30, 2022
	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	53,808	2,052
<b>Adjustments</b>		
Unrealised (appreciation)/diminution in the value of investments 'at fair value through profit or loss' - net	(24,554)	8,479
(Gain) / loss on sale of investments - net	(11,667)	(25)
	(36,961)	8,454
	16,847	10,506
<b>Increase in assets</b>		
Investments	204,654	(115,923)
Dividend and profit receivable	(16,952)	2,893
Advances, deposits, prepayments and other receivables	72	58
	187,774	(112,972)
<b>(Decrease) / Increase in liabilities</b>		
Payable to the Management Company	12,627	(127)
Payable to the Trustee	274	(1)
Payable to Securities and Exchange Commission of Pakistan	(103)	(197)
Payable against purchase of investment	(5,584)	(5,375)
Accrued expenses and other liabilities	(5,426)	(70)
	1,788	(5,770)
<b>Net cash generated / (used in) from operating activities</b>	206,409	(108,236)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	66	502
Payments on redemption of units	(16,196)	(14,213)
<b>Net cash used in financing activities</b>	(16,130)	(13,711)
<b>Net increased / (decrease) in cash and cash equivalents during the period</b>	190,279	(121,947)
Cash and cash equivalents at the beginning of the period	74,322	177,792
<b>Cash and cash equivalents at the end of the period</b>	264,601	55,845

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

### 1 LEGAL STATUS AND NATURE OF BUSINESS

The NBP Balanced Fund 'the Fund' was established under a Trust Deed executed between the NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on 06 December 2006 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on 01 December 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of Mutual Fund Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund classified as a "balanced scheme" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to provide its investors with a combination of capital growth and income. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments e.t.c.

The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an asset manager rating of 'AM1' to the Management Company as on 22 June, 2023 a short term performance ranking of 3 star and long term performance ranking of 4 star to the fund.

During the year ended 30 June, 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.

### 2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, 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.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

### 3 SUMMARY OF ACCOUNTING POLICIES

The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.

### 4 INVESTMENTS

#### Investments by category

#### Financial assets 'at fair value through profit or loss'

		September 30,2023 (Un-audited)	June 30,2023 (Audited)
	Note	----- Rupees in '000 -----	
Listed equity securities	4.1	403,470	398,121
Term Finance certificate - listed	4.2	-	-
Term Finance certificate - unlisted	4.3	38,521	30,294
Sukuk bonds	4.4	-	34,370
Commercial Paper	4.6	-	147,830
		<u>441,991</u>	<u>610,615</u>



## 4.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at Sep 30, 2023	Investment as a percentage of		
	As at July 01, 2023	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sep 30, 2023		Net assets	Market value of total investments	Paid up capital of the investee company
	Rupees in '000						%		
<b>Oil &amp; Gas Exploration Companies</b>									
Mari Petroleum Limited	15,405	-	-	-	15,405	24,033	3.42	5.44	0.01
Oil and Gas Development Company Limited (Note 4.1.2)	251,086	11,000	-	21,415	240,671	23,215	3.30	5.25	0.01
Pakistan Oilfields Limited (Note 4.1.2)	10,094	-	-	-	10,094	3,934	0.56	0.89	0.00
Pakistan Petroleum Limited (Note 4.1.2)	315,691	38,600	-	35,600	318,691	23,605	3.36	5.34	0.01
	<b>592,276</b>	<b>49,600</b>	<b>-</b>	<b>57,015</b>	<b>584,861</b>	<b>74,787</b>	<b>10.63</b>	<b>16.92</b>	<b>0.03</b>
<b>Oil &amp; Gas Marketing Companies</b>									
Hascol Petroleum Limited	777	-	-	-	777	4	0.00	0.00	0.00
Pakistan State Oil Company Limited	54,878	-	-	7,900	46,978	5,766	0.82	1.30	0.01
	<b>55,655</b>	<b>-</b>	<b>-</b>	<b>7,900</b>	<b>47,755</b>	<b>5,770</b>	<b>0.82</b>	<b>1.31</b>	<b>0.01</b>
<b>Fertilizers</b>									
Engro Corporation Limited	60,819	-	-	3,600	57,219	13,741	1.95	3.11	0.01
Fauji Fertilizer Bin Qasim Limited	171,500	-	-	19,500	152,000	2,089	0.30	0.47	0.02
Fauji Fertilizer Company Limited	220,201	-	-	-	220,201	20,443	2.91	4.63	0.02
	<b>452,520</b>	<b>-</b>	<b>-</b>	<b>23,100</b>	<b>429,420</b>	<b>36,273</b>	<b>5.16</b>	<b>8.21</b>	<b>0.04</b>
<b>Chemicals</b>									
Engro Polymer & Chemicals Limited	91,473	-	-	24,800	66,673	2,621	0.37	0.59	0.01
	<b>91,473</b>	<b>-</b>	<b>-</b>	<b>24,800</b>	<b>66,673</b>	<b>2,621</b>	<b>0.37</b>	<b>0.59</b>	<b>0.01</b>
<b>Cement</b>									
Attock Cement Pakistan Limited	142,800	-	-	1,300	141,500	12,238	1.74	2.77	0.01
Lucky Cement Limited (Note 4.1.2)	22,507	1,200	-	-	23,707	13,379	1.90	3.03	0.01
Kohat Cement Co. Ltd.	272,169	12,000	-	5,000	279,169	47,247	6.72	10.69	0.14
	<b>437,476</b>	<b>13,200</b>	<b>-</b>	<b>6,300</b>	<b>444,376</b>	<b>72,864</b>	<b>10.36</b>	<b>16.49</b>	<b>0.16</b>
<b>Automobile Parts &amp; Accessories</b>									
Thal Limited	11	-	-	-	11	3	0.00	0.00	0.00
	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>3</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Textile Composite</b>									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.80	1.28	13.53
The Crescent Textile Mills Limited	148,000	-	-	-	148,000	1,884	0.27	0.43	0.15
Gul Ahmed Textile Mills Limited	247,632	-	-	-	247,632	4,381	0.62	0.99	0.06
Kohinoor Textile Mills Limited	499,613	5,000	-	314,000	190,613	11,071	1.57	2.50	0.06
Nishat Mills Limited (Note 4.1.2)	116,500	-	-	28,000	88,500	5,312	0.76	1.20	0.03
	<b>1,818,745</b>	<b>5,000</b>	<b>-</b>	<b>342,000</b>	<b>1,481,745</b>	<b>28,297</b>	<b>4.02</b>	<b>6.40</b>	<b>13.82</b>
<b>Transport</b>									
Pakistan National Shipping Co.	104,000	13,200	-	7,000	110,200	17,535	2.49	3.97	-
Pakistan National Bulk Terminal Limited	63,500	-	-	-	63,500	245	0.03	0.06	0.00
	<b>167,500</b>	<b>13,200</b>	<b>-</b>	<b>7,000</b>	<b>173,700</b>	<b>17,780</b>	<b>0.03</b>	<b>0.06</b>	<b>0.00</b>
<b>Engineering</b>									
Aisha Steel Limited	230,500	-	-	-	230,500	1,325	0.19	0.30	0.03
International Industries Limited	200	-	-	-	200	18	0.00	0.00	0.00
Mughal Iron & Steel Industries	332,488	-	-	43,172	289,316	14,425	2.05	3.26	0.11
	<b>563,188</b>	<b>-</b>	<b>-</b>	<b>43,172</b>	<b>520,016</b>	<b>15,768</b>	<b>2.24</b>	<b>3.57</b>	<b>0.15</b>
<b>Power Generation &amp; Distribution</b>									
The Hub Power Company Limited	130,715	-	-	8,200	122,515	10,822	1.54	2.45	0.01
Lalpir Power Limited	212,000	-	-	94,500	117,500	1,824	0.26	0.41	0.03
	<b>342,715</b>	<b>-</b>	<b>-</b>	<b>102,700</b>	<b>240,015</b>	<b>12,646</b>	<b>1.80</b>	<b>2.86</b>	<b>0.04</b>

# NBP BALANCED FUND

Name of the investee company	Number of shares					Market value as at Sep 30, 2023	Investment as a percentage of			
	As at July 01, 2023	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sep 30, 2023		Net assets	Market value of total investments	Paid up capital of the investee company	
						Rupees in '000	%			
<b>Commercial Banks</b>										
Askari Bank Limited	7,475	-	-	-	7,475	117	0.02	0.03	0.00	
Bank Al-falah Limited	758,301	24,000	-	196,000	586,301	22,555	3.21	5.10	0.03	
Bank Al-Habib Limited (Note 4.1.2)	320,200	16,000	-	30,300	305,900	13,775	1.96	3.12	0.03	
Faysal Bank Limited	104,838	36,500	-	1,500	139,838	3,118	0.44	0.71	0.01	
Habib Bank Limited	198,680	20,000	-	68,700	149,980	13,564	1.93	3.07	0.01	
MCB Bank Limited	28,500	42,150	-	8,100	62,550	8,091	1.15	1.83	0.01	
Meezan Bank Limited	4,717	30,200	-	700	34,217	3,922	0.56	0.89	0.00	
United Bank Limited	132,791	-	-	55,400	77,391	11,113	1.58	2.51	0.01	
	1,555,502	168,850	-	360,700	1,363,652	76,255	10.84	17.25	0.09	
<b>Cable and Electrical Goods</b>										
Pakistan Elektron Limited	303,880	-	-	29,500	274,380	2,727	0.39	0.62	0.01	
	303,880	-	-	29,500	274,380	2,727	0.39	0.62	0.01	
<b>Glass and Ceramics</b>										
Shabbir Tiles & Ceramics Limited	837,000	407,500	-	50,000	1,194,500	9,711	1.38	2.20	0.50	
Tariq Glass Industries Limited	99,540	-	-	15,400	84,140	6,607	0.94	1.49	0.08	
	936,540	407,500	-	65,400	1,278,640	16,318	2.32	3.69	0.58	
<b>Technology &amp; Communication</b>										
Avanceon Limited	112	-	-	112	-	-	-	-	-	
Systems Limited	58,019	200	-	1,200	57,019	22,455	3.19	5.08	0.05	
	58,131	200	-	1,312	57,019	22,455	3	5.08	0.05	
<b>Paper &amp; Board</b>										
Roshan Packages Limited	-	340,000	-	35,500	304,500	3,386	0.48	0.77	0.21	
	-	340,000	-	35,500	304,500	3,386	0	1	0.21	
<b>Automobile Assembler</b>										
Panther Tyres Limited	35,700	-	-	9,000	26,700	585	0.08	0.13	0.02	
Millat Tractors Limited	5	-	-	-	5	2	0.00	0.00	0.00	
	35,705	-	-	9,000	26,705	587	0.08	0.13	0.02	
<b>Pharmaceuticals</b>										
Abbott Lab (Pakistan) Limited.	100	-	-	100	-	-	-	-	-	
AGP Limited	36,500	-	-	400	36,100	1,778	0.25	0.40	0.01	
Citi Pharma Limited	40,098	-	-	4,000	36,098	794	0.11	0.18	0.02	
Hignoon Laboratories Limited	13,186	-	-	1,300	11,886	4,516	0.64	1.02	0.03	
IBL Healthcare Limited	40,056	-	-	26,500	13,556	441	0.06	0.10	0.03	
The Searle Company Limited	23,895	-	11,473	19,300	16,068	565	0.08	0.13	0.01	
	153,835	-	11,473	51,600	113,708	8,094	1.15	1.83	0.1	
<b>Leather and Tanneries</b>										
Service Industries Limited	2,300	-	-	-	2,300	759	0.11	0.17	0.00	
	2,300	-	-	-	2,300	759	0.11	0.17	0.00	
<b>Food &amp; Personal Care Products</b>										
Shezan International Limited	6,930	64,000	-	6,500	64,430	6,080	0.86	1.38	0.73	
	6,930	64,000	-	6,500	64,430	6,080	0.86	1.38	0.73	
	7,574,382	1,061,550	11,473	1,173,499	7,473,906	403,470	54.86	87.32	16.05	
Carrying value as at Sep 30, 2023						379,193				

- 4.1.1** All shares have a nominal face value of Rs 10 each except for shares of Thal Limited and Shabbir Tiles & Ceramics Limited which have a face value of Rs 5.
- 4.1.2** Investments include shares with market value of Rs. 120.45 million (June 30, 2023: Rs. 63.15 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.
- 4.1.3** The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as full discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has led a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) has withheld the shares equivalent to 5% of bonus announcement amounting to Rs. 0.512 million (30 June 2017: Rs. 1.093 million) and not yet deposited in CDC account of department of Income Tax.

## 4.2 Term finance certificates - Listed - at fair value through profit or loss

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2023	Investment as a percentage of		
	As at July 01, 2023	Purchases during the period	Sales during the period	As at Sep 30, 2023		Net assets	Market value of total investments	Issue size
Saudi Pak Leasing Company Limited ( note 4.2.1)	10,000	-	-	10,000	-	-	-	-
	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying value as at September 30, 2023					<u>27,547</u>			
Provision for impairment loss as at September 30, 2023					<u>27,547</u>			

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

- 4.2.1** This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as Non-performing since April 30, 2014.

The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

## 4.3 Term finance certificates - unlisted - at fair value through profit or loss

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2023	Investment as a percentage of		
	As at July 01, 2023	Purchases during the period	Sales during the period	As at Sep 30, 2023		Net assets	Market value of total investments	Issue size
Soneri Bank Limited	200	-	-	200	19,899	2.83	4.50	0.13
	<u>200</u>	<u>-</u>	<u>-</u>	<u>200</u>	<u>19,899</u>	<u>2.83</u>	<u>4.50</u>	
Carrying value as at September 30, 2023					<u>19,589</u>			

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

## 4.4 Sukuk bonds - unlisted - at fair value through profit or loss

All sukuks have a face value of Rs. 5,000

Name of investee company	Number of certificates / bonds				Market value as at Sep 30, 2023	Investment as a percentage of		
	As at July 01, 2023	Purchases during the period	Sales during the period	As at Sep 30, 2023		Net assets	Market value of total investments	Issue size
					Rupees in '000		%	
Shakarganj Food Products Limited	30	-	-	30	9,280	1.32	2.10	-
Mughal Iran & Steel Industries Limited	15	-	-	15	9,341	1.33	2.11	-
Hubco Sukuk	500	-	500.00	-	-	-	-	-
	<b>545</b>	<b>-</b>	<b>500</b>	<b>45</b>	<b>18,621</b>	<b>2.65</b>	<b>4.21</b>	<b>-</b>
Carrying value as at Sep 30, 2023					<u>23,813</u>			

### 4.4.1 At Fair value through profit or loss

Name of investee company	Number of certificates / bonds				Market value as at Sep 30, 2023	Investment as a percentage of		
	As at July 01, 2023	Purchases during the period	Sales during the period	As at Sep 30, 2023		Net assets	Market value of total investments	Issue size
					Rupees in '000		%	
<b>Term finance certificate - unlisted</b>								
New Allied Electronics Industries (Private) Limited (note 4.5.1)	32,000	-	-	32,000	-	-	-	-
Eden Housing Limited (note 4.5.2)	10,000	-	-	10,000	-	-	-	-
	<b>42,000</b>	<b>-</b>	<b>-</b>	<b>42,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Carrying value as at September 30, 2023					<u>19,844</u>			
Provision for impairment loss as at September 30, 2023					<u>19,844</u>			

### 4.4.2 Investment in Government securities - Market Treasury bills

Issue Date	Tenor	Face value				Market value as at Sep 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2023	Purchases during the year	Sales / matured during the year	As at Sep 30, 2023			
04-MAY-23 04-JULY-23	03 months	150,000	-	150,000	-	-	-	
		<b>150,000</b>	<b>-</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Carrying value before mark to market as at September 30, 2023					<u>-</u>			

**4.5** All term finance certificates have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics Industries (Private) Limited which have a face value of Rs 312.50 each.

**4.5.1** This represents investment in privately placed sukuks with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since January 9, 2009. The amount of provision as per circular 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular. This has been classified as fair value through profit and loss as per IFRS 09 from this year.

**4.5.2** This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was classified as NPA by MUFAP. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular. This has been classified as fair value through profit and loss as per IFRS 09 from this year.

**4.5.3** The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer

## 5 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 1.30% per annum of the net assets of the Fund.

## 6 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.93% (September 30, 2022: 4.83%) which includes 0.44% (September 30, 2022: 0.37%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "balanced" scheme.

## 7 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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.

## 8 CONTINGENCIES AND COMMITMENTS

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

## 9 FEE PAYABLE TO THE COMMISSION

As per NBFC Regulation 62(1) w.e.f. July 01, 2023, the Asset Management Company, within fifteen days of the close of every calendar month of the Collective Investment Scheme, shall pay the Commission non-refundable fee which is 0.085% of average annual net assets of this CIS.

## 10 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA OF ASSIGNED CATEGORY

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the fund as 'Balanced Fund'.

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

Following is the detail of non-compliant investments:

Type of investment	Name of non-compliant investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
Term finance	New Allied Electronic	10,000	(10,000)	-	-	-
Sukuk Bonds	Eden Housing Limited	9,844	(9,844)	-	-	-
Term finance	Saudi Pak Leasing	27,547	(27,547)	-	-	-
Sukuk Bonds	Shakarganj Foods	13,500	(4,220)	9,280	1.3%	1.3%

9.1 At the time of purchase, the above Term Finance Certificates/Sukuk were in compliance with the circular (i.e. investment grade) and was subsequently downgraded. In case of New Allied Electronics Industries (Private) Limited and Eden Housing Limited the downgrading has been made due to default in payments of due principal and markup.

## 11 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

11.1 Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, 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 and unit holders holding ten percent or more units of the Fund.

11.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

11.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

11.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at year end are as follows.

	Quarter September 2023	Quarter September 2022
	(Un-audited)	
	----- Rupees in '000 -----	
<b>11.5 Details of the transactions with connected persons are as follows:</b>		
<b>NBP Fund Management Limited - Management Company</b>		
Management fee expense for the year	4,444	5,170
Reimbursement of accounting and operational charges to the Management Company	356	414
Sales Tax on remuneration of the management company	578	672
Reimbursement of Selling and Marketing Expense	2,186	2,688
Front end load	-	3
ADC charges	-	1
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	356	414
Sales tax on Remuneration of the Trustee	46	54
CDS charges	1	1
<b>Employees of the Management Company</b>		
Units issued / transferred in: Nil units (2022: 14 units)	-	-
Units redeemed / transferred out Nil units (2022: 612 units)	-	11
<b>Fauji Fertilizer Company Limited</b>		
Shares sold: Nil shares (2022: 8000 shares)	-	836
Dividend Income	694	388
<b>Taurus Securities Limited</b>		
Brokerage expense	5	5

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees in '000 -----	
<b>11.6 Amounts outstanding as at year end are as follows:</b>		
<b>NBP Fund Management Limited - Management Company</b>		
Management remuneration payable	1,438	1,371
Sindh Sales Tax payable	187	178
Selling and marketing expense	2,535	2,414
Allocated expenses	357	337
Sales load and Sindh Sales Tax payable	16	17
Adc share including sindh sales tax	7	1
FED 16% Payable to Management Company	11,587	11,587
FED payable on Sales load	818	818
<b>Employees of the Management Company</b>		
Units held: 6,388 units (June 30, 2023: 6,388 units)	125	116
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	117	112
Sindh Sales Tax payable	12	12
Settlement charges payable	269	268
Security deposit	100	100
<b>National Bank of Pakistan (parent of Management company)</b>		
Bank Balance in current account	355	354
<b>NBP Employees Pension Fund - unitholder with more than ten percent holding</b>		
Units held: 29,597,015 units (June 30, 2023: 29,597,015 units)	581,102	537,467
<b>Ronak Iqbal Lakhani - unitholder with more than ten percent holding</b>		
Units held: 2,182,958 units (30 June 2023: 2,182,958 units)	42,860	39,641
<b>BankIslami Pakistan Limited</b>		
Bank Balance in saving account	2,577	2,581
<b>Gul Ahmed Textile Mills Limited</b>		
Ordinary shares held: 247,632 Shares (30 June 2023: 247,632 shares)	4,381	4,410
<b>Fauji Fertilizer Company Limited</b>		
Ordinary shares held: 220,201 Shares (30 June 2023: 220,201 shares)	20,443	21,677
<b>Taurus Securities Limited</b>		
Brokerage payable	5	-

## 12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2023.

## 13 GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director



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