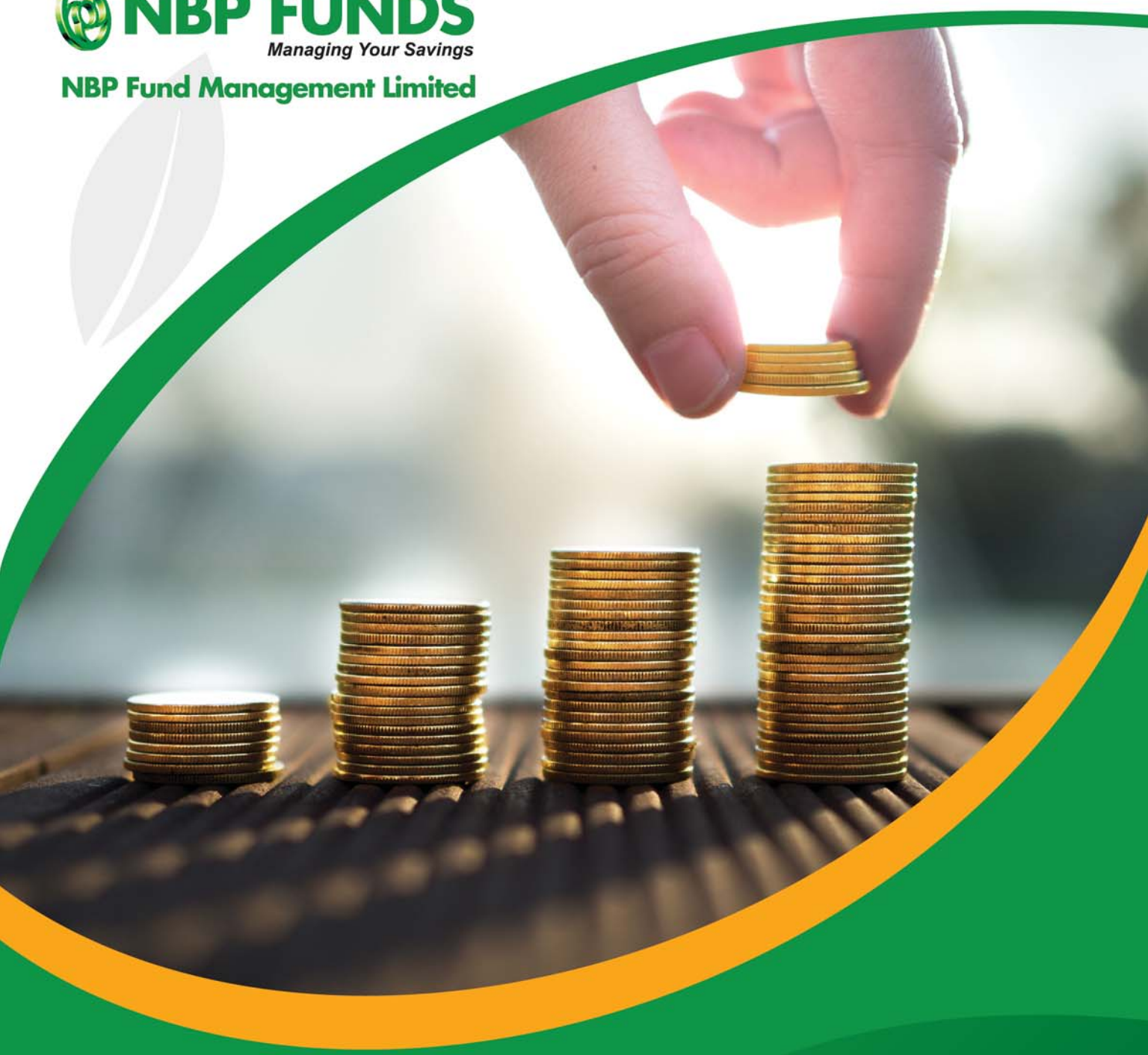




Managing Your Savings

NBP Fund Management Limited



NBP GOVERNMENT SECURITIES LIQUID 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

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



Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Government Securities Liquid Fund (NGSLF)** for the quarter ended September 30, 2023.

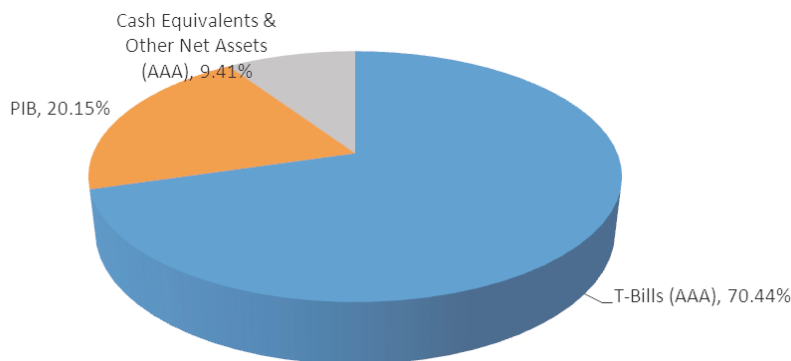
Fund's Performance

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 stood at USD 7.62 billion (down by USD 543.8million compared to July 2023). This signifies grave challenges & risks to financial stability. SBP held six T-Bill auctions, realizing a total of Rs. 7.84 trillion against the maturity of Rs. 8.71 trillion and target of Rs. 8.70 trillion. Sovereign yields responded equally to the economic uncertainty and rising inflationary pressures and kept the market participants' interests tilted primarily towards shorter tenure securities.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risk is exceptionally low due to 70% minimum investment in Government securities (T-Bills) with average maturity of the overall portfolio at 6 days. The Fund invests in AA and above rated Banks/DFIs with maximum maturity of six months.

The size of NBP Government Securities Liquid Fund has decreased from Rs. 1,961 million to Rs. 1,732 million during the period (i.e., a decline of 12%). The unit price of the Fund has increased from Rs. 9.7652 (Ex-Div) on June 30, 2023 to Rs. 10.2908 on September 30, 2023, thus showing a return of 21.4% p.a. as compared to the benchmark return of 21.9% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 104.35 million during the period. After deducting total expenses of Rs. 6.64 million, the net income is Rs. 97.71 million. The asset allocation of NMMF as on September 30, 2023 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 5.03% of the opening ex-NAV (5.16% of the par value) during the quarter ended September 30, 2023.

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
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2023ء کو ختم ہونے والی پہلی سہ ماہی کے لئے NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کے غیر جانچ شدہ کنڈیٹنڈ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

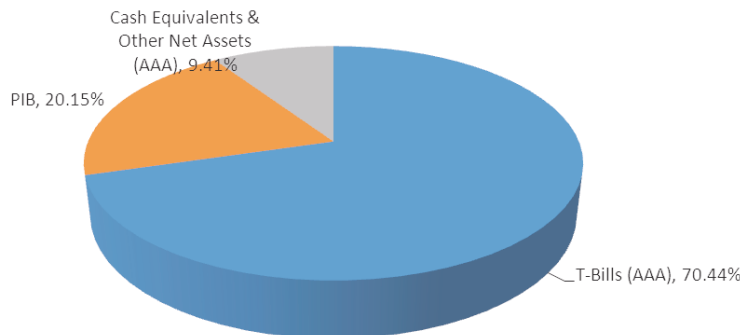
سہ ماہی کے دوران، مانیٹری پالیسی کمیٹی کے دو اجلاس منعقد ہوئے اور اسٹیٹ بینک نے پالیسی شرح کو 22% پر برقرار رکھا۔ بیرونی کھاتوں اور پاکستانی روپیہ پر دباؤ جاری رہا کیونکہ مالی نظم و ضبط کمزور رہا، حالانکہ پاکستانی روپیہ کی قدر میں کمی کو بالآخر انتظامی اقدامات سے قابو میں لایا گیا۔ CPI کی طرف سے پیمائش 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 بیس کا اثر 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 لیکویڈز ربادلہ 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 چھٹی بل نیلامیوں کا انعقاد کیا، جس سے 7.84 ٹریلین روپے کی میچورٹی اور 8.70 ٹریلین روپے کے ہدف کے مقابلے میں کل 8.71 ٹریلین روپے کی وصولی ہوئی۔ گورنمنٹ بانڈز منافعوں 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 جھکائے رکھا۔

NGSLF کو PACRA کی طرف سے مستحکم ریٹنگ "AAA(f)" دی گئی ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈٹی پر وفا کی عکاسی کرتی ہے۔ T-Bills اس فنڈ کی بڑی ایسیٹ کلاس ہے۔ گورنمنٹ سیکورٹیز (T-Bills) میں 6 دنوں میں مجموعی پورٹ فولیو کی اوسط میچورٹی کے ساتھ کم از کم 70% سرمایہ کاری کے باعث فنڈ کے کریڈٹ، لیکویڈٹی اور انٹرنسٹ ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی میچورٹی کے ساتھ AA یا زائد ریٹنگ والے بیٹیکوں/DFIs میں انویسٹ کرنے کی اجازت ہے۔

اس مدت کے دوران NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا سائز 1,961 ملین روپے سے کم ہو کر 1,732 ملین روپے ہو گیا یعنی 12% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 9.7652 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2023 کو 10.2908 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 21.9% سالانہ کے مقابلے میں 14.5% سالانہ کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 104.35 ملین روپے کی مجموعی آمدنی کمائی۔ 6.64 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 97.71 ملین روپے ہے۔

30 ستمبر 2023 کو NGSLF کی ایسیٹ ایلوکییشن درج ذیل ہے:





آمدنی کی تقسیم

میٹجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے لئے اوپننگ ex-NAV کا 5.03% (بنیادی قدر کا 5.16%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

اظہار تشکر

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

بورڈ اپنے اسٹاف اور 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 میٹجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2023

مقام: کراچی

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

	Note	Un-Audited September 30, 2023 (Rupees in '000)	Audited June 30, 2023
ASSETS			
Bank balances	4	320,304	194,392
Investments	5	1,569,365	1,734,677
Mark-up accrued		22,102	2,453
Advance and prepayment		10,082	10,138
Receivable against transfer of units		-	77,171
Total assets		1,921,853	2,018,831
LIABILITIES			
Payable to the Management Company		51,767	50,613
Payable to the Trustee		90	85
Payable to Securities and Exchange Commission of Pakistan	8	110	260
Payable on redemption of units		130,589	-
Payable against purchase of investment		23	3,816
Accrued expenses and other liabilities		6,971	3,515
Total liabilities		189,550	58,289
Net Assets		1,732,303	1,960,542
Unit Holders' Funds (as per statement attached)		1,732,303	1,960,542
Contingencies & Commitments	6	-	-
----- Number of units -----			
Number of units in issue		168,334,318	191,006,569
----- Rupees -----			
Net asset value per unit		10.2908	10.2643

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)	
INCOME		
Gain / (loss) on sale of investments - net	(437)	4
Income from government securities	99,681	34,944
Profit on bank deposits	5,474	6,798
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(368)	36
Total Income	104,350	41,782
EXPENSES		
Remuneration of the Management Company	1,013	544
Sindh sales tax on remuneration of the Management Company	132	71
Remuneration of the Trustee	258	150
Sindh sales tax on remuneration of Trustee	34	19
Reimbursement of operational expenses to the Management Company	587	340
Reimbursement of selling and marketing expenses	3,755	1,361
Annual fee - Securities and Exchange Commission of Pakistan	352	54
Securities transaction cost	20	11
Bank charges	17	24
Annual listing fee	7	7
Auditors' remuneration	326	285
Rating fee	80	73
Printing Charges	24	25
Legal and professional charges	38	45
Total Expenses	6,643	3,009
Net income for the period before taxation	97,707	38,773
Taxation	-	-
Net income for the period after taxation	97,707	38,773
Allocation of Net income for the period:		
Net income for the period after taxation	97,707	38,773
Income already paid on units redeemed	(5,666)	(711)
	92,041	38,062
Accounting income available for distribution:		
- Relating to Capital Gains	(805)	40
- Excluding Capital Gains	92,846	38,022
	92,041	38,062

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 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 after taxation	97,707	38,773
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>97,707</u></u>	<u><u>38,773</u></u>

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 STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended September 30, 2023			Quarter Ended September 30, 2022		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at the beginning of the period	1,849,356	111,186	1,960,542	1,114,644	104,578	1,219,222
Issue of 81,612,638 units (September 30, 2022: 13,248,998 units)						
- Capital value	837,697	-	837,697	135,503	-	135,503
- Element of income	7,448	-	7,448	571	-	571
Total proceeds on issuance of units	845,145	-	845,145	136,074	-	136,074
Redemption of 104,284,888 units (September 30, 2022: 22,261,465 units)						
- Capital value	(1,070,411)	-	(1,070,411)	(227,677)	-	(227,677)
- Element of loss	46	(5,666)	(5,620)	(36)	(711)	(747)
Total payments on redemption of units	(1,070,365)	(5,666)	(1,076,031)	(227,713)	(711)	(228,424)
Total comprehensive income for the period	-	97,707	97,707	-	38,773	38,773
Interim Distributions during the period						
Re. 0.1476 on Jul 26, 2023 (Jul 28, 2022: Re. 0.1030)	(233)	(24,388)	(24,621)	(26)	(10,505)	(10,531)
Re. 0.2027 on Aug 29, 2023 (Aug 30, 2022: Re. 0.1341)	(3,631)	(37,288)	(40,919)	(129)	(13,504)	(13,633)
Re. 0.1657 on Sep 26, 2023 (Sep 25, 2022: Re. 0.1199)	(3,263)	(26,257)	(29,520)	(352)	(12,733)	(13,085)
	(7,127)	(87,933)	(95,060)	(507)	(36,742)	(37,249)
Net assets at the end of the period	1,617,009	115,294	1,732,303	981,044	105,898	1,128,396
Undistributed income brought forward						
- Realised		111,186			104,578	
- Unrealised		-			-	
		111,186			104,578	
Accounting income available for distribution						
- Relating to capital loss		(805)			40	
- Excluding capital gain		92,846			38,022	
		92,041			38,062	
Interim Distributions during the period		(87,933)			(36,742)	
Undistributed income carried forward		115,294			105,898	
Undistributed income carried forward						
- Realised		115,662			105,862	
- Unrealised		(368)			36	
		115,294			105,898	
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			10,2643			10,2274
Net assets value per unit at end of the period			10,2908			10,2396

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	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	97,707	38,773
Adjustments:		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	368	(36)
	<u>98,075</u>	<u>38,737</u>
(Increase) / decrease in assets		
Investments	164,944	(1,112,704)
Mark-up accrued	(19,649)	2,380
Advance and prepayment	56	53
	145,351	(1,110,271)
(Decrease) / increase in liabilities		
Payable to the Management Company	1,154	290
Payable to the Trustee	5	3
Payable to Securities and Exchange Commission of Pakistan	(150)	(154)
Payable on redemption of units	130,589	-
Accrued expenses and other liabilities	3,456	182
	135,054	321
Net cash (used in) / generated from operating activities	<u>378,480</u>	<u>(1,071,213)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	915,189	141,867
Payment against redemption of units	(1,079,824)	(228,248)
Distributions paid	(87,933)	(36,742)
Net cash (used in) financing activities	(252,568)	(123,123)
Net (decrease) in cash and cash equivalents during the period	<u>125,912</u>	<u>(1,194,336)</u>
Cash and cash equivalents at the beginning of the period	194,392	1,250,836
Cash and cash equivalents at the end of the period	<u><u>320,304</u></u>	<u><u>56,500</u></u>

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

NBP Government Securities Liquid Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 10 April 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (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 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 categorised as "money market scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The objective of the Fund is to generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term government securities.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' to the Management Company and a stability rating of 'AAA (f)' to the Fund.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as Trustee of 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 VIII A 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 condensed interim financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT 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.

	Note	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
		(Rupees in '000)	
4	BANK BALANCES		
	Current accounts	467	26
	Savings accounts	319,837	194,366
		<u>320,304</u>	<u>194,392</u>
4.1	These accounts carry rates of return ranging from 10% to 20.50% (30 June 2023: 10.00% to 19.50%) per annum.		
5	INVESTMENTS		
	Financial assets 'at fair value through profit or loss'		
	Investment in government securities	1,569,365	1,734,677

5.1 Investment in government securities

Issue date	Tenor	Face value				Market value as at September 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at September 30, 2023			

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

Market Treasury Bills

14 July 2022	01 Year	173,724	-	173,724	-	-	-	-
15 June 2023	3 Months	801,335	175,000	976,335	-	-	-	-
22 June 2023	3 Months	214,124	176,650	390,774	-	-	-	-
04 May 2023	3 Months	545,494	-	545,494	-	-	-	-
18 May 2023	3 Months	-	200,000	200,000	-	-	-	-
10 August 2023	3 Months	-	5,250,000	4,250,000	1,000,000	981,044	56.63	62.51
06 October 2023	01 Year	-	1,000,000	1,000,000	-	-	-	-
25 July 2023	3 Months	-	1,000,000	1,000,000	-	-	-	-
21 September 2023	3 Months	-	250,000	-	250,000	239,196	13.81	15.24

Pakistan Investment Bonds

30 December 2021	02 Years	-	350,000	-	350,000	349,125	20.15	22.25
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1,569,365 **90.59** **100.00**

Carrying value before fair value adjustment as at 30 September 2023

1,569,733

6 CONTINGENCIES AND COMMITMENTS

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

7 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 0.5% per annum of the net assets of the Fund.

8 Payable to Securities and Exchange Commission of Pakistan

As per NBFC Regulation 62(1) w.e.f July 01, 2023, an Asset Management Company managing a Collective Investment Scheme, within fifteen days of the close of every calendar month of the Collective Investment Scheme, shall pay the Commission non-refundable fee which is 0.075% of average annual net assets of the Collective Investment Scheme.

9 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 realized or unrealized, 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 cash, 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 of the Income Tax Ordinance, 2001

10 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.42% (September 30, 2021: 1.11%) which includes 0.11% (September 30, 2021: 0.06%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "money market" scheme.

11 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), 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, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

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

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

	------(Un-Audited)-----	
	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022
	(Rupees in '000)	
Details of the transactions with connected persons are as follows:		
NBP Fund Management Limited - Management Company		
Remuneration to the Management Company	1,013	544
Sindh sales tax on remuneration of the Management Company	132	71
Reimbursement of operational expenses to the Management Company	587	340
Reimbursement of selling and marketing expenses	3,755	1,361
Sales load including Sindh sales tax	66	66
ADC charges including Sindh sales tax	19	19
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee	258	150
Sindh sales tax on remuneration of Trustee	34	19
Employees of the Management Company		
Dividend reinvest: 18,228 units (September 30, 2022: Nil units)	187	-
Units issued: 638,711 units (September 30, 2022: 71,365 units)	6,557	731
Units redeemed: 850,365 units (September 30, 2022: 47,892 units)	8,788	494
NBP Employees Pension Fund - (Subsidiary of Parent Company)		
Dividend reinvest: 1,431,150 units (September 30, 2022: Nil units)	14,698	-
Units issued: Nil units (September 30, 2022: 994,416 units)	-	10,172
National Fullerton Asset Management Ltd- Emp. Provident Fund (Subsidiary of Parent Company)		
Units redeemed: 863,809 units (September 30, 2022: NIL units)	8,891	-
Portfolios managed by the Management Company		
Units issued: Nil units (September 30, 2022: 31,971 units)	-	327
Units Redeemed: 5,362,387 units (September 30, 2022: 14,871,205 units)	55,238	152,366

11.2	Amounts outstanding as at quarter end	Un-Audited As at September 30, 2023	Audited As at June 30, 2023
		(Rupees in '000)	
	NBP Fund Management Limited - Management Company		
	Remuneration of the Management Company	46,091	295
	Sindh Sales Tax on remuneration of the Management Company	41	38
	Reimbursement of operational expenses	587	487
	Reimbursement of selling and marketing expense	3,755	3,072
	Sales load including Sindh Sales Tax	1,175	919
	ADC charges including Sindh Sales Tax	108	23
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration of the Trustee	80	75
	Sindh Sales Tax on remuneration of the Trustee	10	10
	National Bank of Pakistan (Parent of the Management Company)		
	Bank balance	1,252	864
	Bank profit receivable	1	2
	Employees of the Management Company		
	Investment held in the Fund: 479,073 units (June 30,2023: 365,108 units)	4,930	6,903
	NBP Employees Pension Fund - (Subsidiary of Parent Company)		
	Units held: 34,484,104 units (30 June, 2023: 33,052,413 units)	354,869	339,260
	Murree Brewery Company Limited - unit holder of 10% or more of units of the Fund		
	Units held: 39,047,109 units (June 30,2023: 19,555,312 units)	401,826	200,000
	Muhammad Murtaza Ali - Company Secretary / COO		
	Units held: 3 units (30 June, 2023: Nil)	-	-
	Portfolios managed by the Management Company		
	Units held: Nil units (June 30,2023: 5,362,387 units units)	-	55,042

* Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at the period end.

** Comparative balances with these parties have not been disclosed as these parties were not related parties in the last term.

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

Head Office

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