



Managing Your Savings

NBP Fund Management Limited



NBP GOVERNMENT SECURITIES SAVINGS 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
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Khushali Microfinance Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Mobilink Microfinance Bank Limited
Telenor Microfinance Bank Limited
HBL Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited
Samba Bank Limited

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block, 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

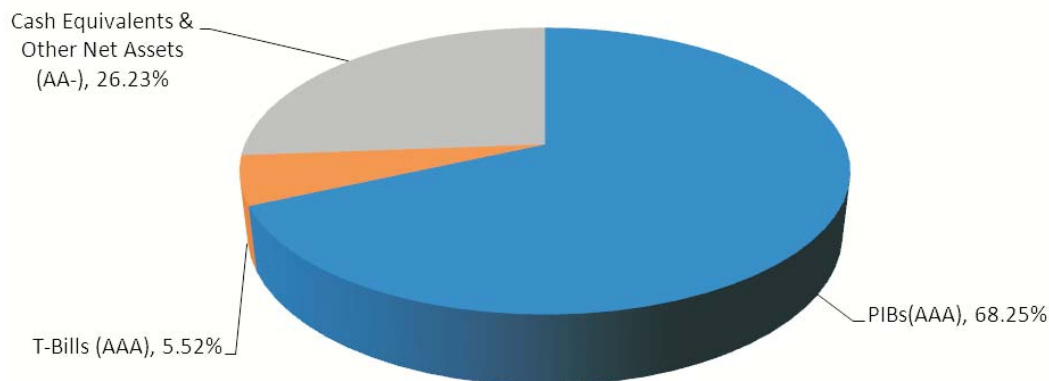
The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Government Securities Savings Fund (NGSSF)** for the quarter ended September 30, 2023.

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 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 size of NBP Government Securities Savings Fund increased from Rs. 5,427 million to Rs. 8,883 million during the period (a significant growth of 64%). The unit price of the Fund has increased from Rs. 10.4544 on June 30, 2023 to Rs. 11.0454 on September 30, 2023, thus showing return of 22.4% p.a. as compared to the benchmark return of 23.0% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses. The Fund has been assigned a stability rating of 'AA- (f)' by PACRA.

The Fund has earned a total income of Rs. 436.49 million during the year. After deducting total expenses of Rs. 27.61 million the net income is Rs. 408.88 million. The asset allocation of NGSSF as on September 30, 2023 is as follows:



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

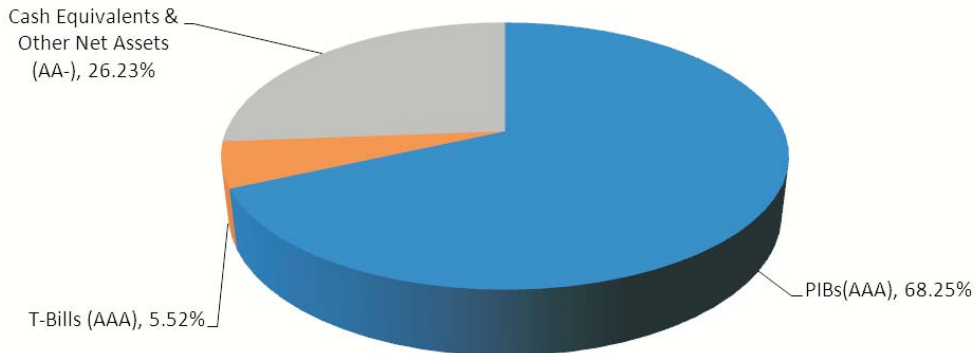
NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2023ء کو ختم ہونے والی سہ ماہی کے لئے NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) کے غیر جانچ شدہ کنڈینسڈ مالیاتی گوشوارے پیش کرتے ہیں۔

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 پینائٹس 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 آگلی 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 ایکویٹیڈز ریمبادلہ 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 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۔

موجودہ مدت کے دوران NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) کا سائز 5,427 ملین روپے سے بڑھ کر 8,883 ملین روپے ہو گیا (یعنی 64% کا نمایاں اضافہ)۔ موجودہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 10.4544 روپے سے بڑھ کر 30 ستمبر 2023 کو 11.0454 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 23.0% سالانہ کے مقابلے میں 22.4% سالانہ کامنافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کے ذریعے AA-(f) کی مستحکم درجہ بندی تفویض کی گئی ہے۔

فنڈ نے موجودہ مدت کے دوران 436.49 ملین روپے کی مجموعی آمدنی ہوئی ہے۔ 27.61 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 408.88 ملین روپے ہے۔ 30 ستمبر 2023 کو NGSSF کی ایسٹ ایلوکیشن درج ذیل ہے:





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی 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 فنانس مینجمنٹ 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)-----	
ASSETS			
Bank Balances	4	2,613,385	1,915,810
Investments	5	6,553,143	3,456,633
Profit receivable		252,339	105,262
Receivable against Issuance of units		292	-
Deposits and prepayments		811	3,489
Total assets		9,419,970	5,481,194
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		27,120	19,044
Payable to Central Depository Company of Pakistan Limited - Trustee		426	287
Payable to Securities and Exchange Commission of Pakistan	8	515	305
Payable against purchase of investments		499,492	141
Payable against redemption of units		7,836	15,657
Accrued expenses and other liabilities		1,748	19,171
Total liabilities		537,137	54,605
NET ASSETS		8,882,833	5,426,589
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		8,882,833	5,426,589
CONTINGENCIES AND COMMITMENTS	6	-	-
Number of units in issue		804,207,883	519,071,888
NET ASSET VALUE PER UNIT		11.0454	10.4544

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	September 30, 2022
	Note -----(Rupees in '000)-----	
INCOME		
Income from Government Securities	20,029	1,964
Income from Pakistan Investment Bonds	325,267	1,971
Profit on bank deposits	76,693	1,448
Capital Gain / (Loss) on sale of investments - net	1,255	(4)
Net unrealised appreciation / (diminution) on re-measurement of investments classified 'at fair value through profit or loss'	13,244	(60)
Total income	436,488	5,319
EXPENSES		
Remuneration of the Management Company	6,233	75
Sindh sales tax on remuneration of the Management Company	810	10
Reimbursement of Allocated expenses	2,801	43
Reimbursement of Selling and Marketing Expense	14,380	238
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,027	19
Sindh sales tax on remuneration of Trustee	134	2
Annual fee - Securities and Exchange Commission of Pakistan	1,401	7
Legal & Professional charges	37	55
Settlement and bank charges	44	7
Security Transaction Cost	526	-
Annual listing fee	7	7
Auditors' remuneration	154	160
Fund rating fee	48	43
Printing charges	5	5
Total Expenses	27,607	671
Net Income from operating activities	408,881	4,648
Net Income for the period before taxation	408,881	4,648
Taxation	-	-
Net Income for the period after taxation	408,881	4,648
Earnings per unit	-	-
Allocation of net income for the period		
- Net income for the period after taxation	408,881	4,648
- Income already paid on units redeemed	(79,851)	(139)
	329,030	4,509
Accounting income available for distribution:		
- Relating to capital gains	1,255	-
- Excluding capital gains	327,775	4,509
	329,030	4,509

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	September 30, 2022
	------(Rupees in '000)-----	
Net Income for the period after taxation	408,881	4,648
Other Comprehensive Income	-	-
Total comprehensive income for the period	408,881	4,648

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

	Quarter Ended Sep-23			Quarter Ended Sep-22		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the Period	5,363,692	62,897	5,426,589	95,984	42,340	138,324
Issuance of 609,387,301 units (2022: 435,761 units)						
Income on term deposit receipts						
- Capital value	6,370,783		6,370,783	4,536		4,536
- Element of Income	160,754	-	160,754	60	-	60
Total proceeds on issuance of units	6,531,537	-	6,531,537	4,596	-	4,596
Redemption of 324,251,306 units (2022: 1,282,646 units)						
- Capital value	(3,389,855)		(3,389,855)	(13,351)		(13,351)
- Element of loss	(14,468)	(79,851)	(94,319)	(28)	(139)	(167)
Total payments on redemption of units	(3,404,323)	(79,851)	(3,484,174)	(13,379)	(139)	(13,518)
Total comprehensive income for the period	-	408,881	408,881	-	4,648	4,648
Net assets at end of the period	<u>8,490,906</u>	<u>391,927</u>	<u>8,882,833</u>	<u>87,201</u>	<u>46,849</u>	<u>134,050</u>
Undistributed income brought forward						
- Realised		70,579			42,794	
- Unrealised		(7,682)			(454)	
		<u>62,897</u>			<u>42,340</u>	
Accounting income available for distribution:						
- Relating to capital gains		1,255			-	
- Excluding capital gains		327,775			4,509	
		<u>329,030</u>			<u>4,509</u>	
Total comprehensive income for the period -						
Undistributed income carried forward		<u>391,927</u>			<u>46,849</u>	
Undistributed income carried forward						
- Realised		378,683			46,909	
- Unrealised		13,244			(60)	
		<u>391,927</u>			<u>46,849</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the Period			<u>10.4544</u>			<u>10.4090</u>
Net assets value per unit at end of the Period			<u>11.0454</u>			<u>10.7740</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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended	
	September 30, 2023	September 30, 2022
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income for the period	408,881	4,648
Net unrealised appreciation / (diminution) on re-measurement of investments classified 'at fair value through profit or loss'	(13,244)	60
	<u>395,637</u>	<u>4,708</u>
(Increase) / Decrease in assets		
Investments	(3,083,266)	(1,305)
Profit receivable	(147,077)	(481)
Deposits and prepayments	2,678	67
	<u>(3,227,665)</u>	<u>(1,719)</u>
Increase / (Decrease) in liabilities		
Payable to the NBP Funds Management Limited - Management Company	8,076	(33)
Payable to Central Depository Company of Pakistan Limited - Trustee	139	-
Payable to the Securities and Exchange Commission of Pakistan	210	(27)
Payable against purchase of investments	499,351	-
Accrued expenses and other liabilities	(17,423)	(1,463)
	<u>490,353</u>	<u>(1,523)</u>
Net cash (used in) / generated from operating activities	<u>(2,341,675)</u>	<u>1,466</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	6,531,245	4,596
Net payments on redemption of units	(3,491,995)	(13,517)
Net cash generated / (used in) financing activities	<u>3,039,250</u>	<u>(8,921)</u>
Net Increase / (decrease) in cash and cash equivalents during the period	<u>697,575</u>	<u>(7,455)</u>
Cash and cash equivalents at the beginning of the period	1,915,810	45,832
Cash and cash equivalents at the end of the period	<u><u>2,613,385</u></u>	<u><u>38,377</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 Savings Fund (the Fund) was established under a Trust Deed entered into 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 May 30, 2014 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 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).

The Fund has been categorised as an open ended income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited.

The objective of the Fund is to provide unit holders with competitive return from a portfolio of low credit risk securities by investing primarily in government securities.

The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed the asset manager rating of AM1 as at June 22, 2023 (2022: AM1) 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 stability rating of "AA-(f)" to the Fund dated March 28, 2023 (2022: "AA-(f)" dated March 29, 2022).

The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

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.

2. BASIS OF PREPARATION**2.1 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 as 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 declare 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 ACCOUNTING POLICIES

3.1 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.

3.2 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, 2021. 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. BANK BALANCES

	Un-audited As at September 30, 2023	Audited As at June 30, 2023
	(Rupees in '000)	
In current accounts	-	-
In savings accounts	<u>2,613,385</u>	<u>1,915,810</u>
	2,613,385	1,915,810

4.1 These balances include Rs 0.247 million (2023: Rs 0.169 million) and 0.088 million (2023: Rs 0.088 million) maintained with National Bank of Pakistan and Telenor Microfinance Bank Limited that carries profit at the rate of 20.50% (2023: 19.50%) per annum and 20.50% (2023: 19.50%) per annum respectively. Other saving accounts of the Fund carry profit at rates ranging from 20.50% to 22.75% (30 June 2023: 12.25% to 22.45%) per annum.

5. INVESTMENTS

	Un-audited September 30, 2023	Audited June 30, 2023
	(Rupees in '000)	
At fair value through profit or loss		
Market Treasury Bills	490,522	-
Pakistan Investment Bonds	<u>6,062,621</u>	<u>3,456,633</u>
	6,553,143	3,456,633

5.1 Investment in Treasury Bills

Issue date	Tenor in months	Face Value				Market Value September 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchased during the period	Disposed / matured during the period	As at September 30, 2023			
(Rs. In '000')								
15-Jun-23	3 Months	-	500,000	500,000	-	-	-	-
10-Aug-23	3 Months	-	500,000	-	500,000	490,522	5.52	7.49
						490,522	5.52	7.49
Carrying value before fair value adjustment as at September 30, 2023						490,411		
Market Value as at June 30, 2023						-		

5.2 Investment in Pakistan Investment Bonds

Issue date	Tenor in years	Face Value				Market Value September 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchased during the period	Disposed / matured during the period	As at September 30, 2023			
(Rs. In '000')								
22-Oct-20	3	50,000	1,000,000	1,050,000	-	-	-	-
8-Sep-22	2	1,155,600	2,500,000	2,722,800	932,800	928,789	10.46	14.17
9-Feb-23	2	1,295,000	900,000	-	2,195,000	2,177,440	24.51	33.23
17-Nov-22	5	10,000	-	-	10,000	9,531	0.11	0.15
26-Aug-21	2	980,000	-	980,000	-	-	-	-
6-Apr-23	2	-	1,250,000	36,100	1,213,900	1,202,732	13.54	18.35
30-Dec-21	2	-	2,848,500	1,100,000	1,748,500	1,744,129	19.63	26.62
						6,062,621	68.25	92.51
Carrying value before fair value adjustment as at September 30, 2023						6,539,899		
Market Value as at June 30, 2023						3,456,633		

6 CONTINGENCIES AND COMMITMENTS

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

7 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 0.77% 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, 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 0.075% of average annual net assets of the CIS.

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, 2024 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 to the Income Tax Ordinance, 2001.

10 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.47% (September 30, 2022: 1.98%) which includes 0.12% (September 30, 2022: 0.06%) representing Government Levies and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

11 TRANSACTIONS WITH CONNECTED PERSONS

11.1 Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets 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 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

	Quarter ended September 30, 2023	Quarter ended September 30, 2022
	(Rupees in '000)	
11.5 Details of the transactions with connected persons are as follows:		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	6,233	75
Sindh sales tax on remuneration of the Management Company	810	10
Reimbursement of Allocated expenses	2,801	43
Reimbursement of Selling and Marketing Expense	14,380	238
Sales load and transfer generated	749	1
Sales tax on sale load	97	-
ADC charges including Sindh sales tax	95	-
Employees of the Management Company		
Units redeemed / transferred out: 1,685,908 units (2022: 15,626 units)	18,276	166
Units Issued / transferred in: 4,797,171 (2022: 12,280 units)	51,050	130
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	1,027	19
Sindh sales tax on remuneration of Trustee	134	2
National Bank of Pakistan - parent company		
Profit on bank deposits	1	1
Portfolio Managed by Management Company		
Units issued: 29,040,737 units (2022: Nil)	310,857	-
Units redeemed: 143,791,071 units (2022: Nil)	1,541,722	-
Mohammad Tariq Rafi - unit holder with 10% or more holding*		
Units issued: 121,309,278 units (2022: Nil)	1,291,055	-
Units redeemed: Nil units (2022: Nil)	-	-
	Un-audited As at September 30, 2023	Audited As at June 30, 2023
	(Rupees in '000)	

- 11.6 Amounts outstanding as at period end

NBP Fund Management Limited - Management Company		
Management remuneration payable	2,429	1,445
Sindh Sales Tax payable	316	188
Federal Excise Duty on remuneration of the Management Company	1,865	1,865
Federal Excise Duty on sales load	371	371
Reimbursement of Allocated expenses	2,801	1,819
Sales load and transfer load payable	4,216	3,467
Sales tax on sale load	568	472
Other payable	45	45
Selling and Marketing expense	14,380	9,339
ADC charges payable including Sindh sales tax	129	33

	Un-audited As at September 30, 2023	Audited As at June 30, 2023
	(Rupees in '000)	
Employees of the Management Company		
Units held: 3,144,859 units (2023: 33,595 units)	34,736	351
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	377	254
Security deposit	102	102
Sindh Sales Tax payable	49	33
National Bank of Pakistan - Parent Company		
Bank balance in savings account	247	169
Profit receivable	1	-
Telenor Microfinance Bank Limited - common directorship		
Bank balance in savings account	88	88
Profit receivable	-	-
Mohammad Tariq Rafi - unit holder with 10% or more holding*		
Units held: 121,309,278 units (2022: Nil units)	1,339,910	-
National Fullerton Asset Management Limited- Employees Provident Fund		
Units held: 1,820,993 units (2023: 1,820,993)	20,114	19,037
Portfolio Managed by Management Company		
Units held: 79,379,598 units (2023: 100,764,346)	876,779	1,053,432
Abbott Laboratories Pakistan Limited Staff Pension Fund - unit holder with 10% or more holding		
Units held: Nil units (2022: 93,365,586)	-	976,081

* Prior period comparative has not been shown as the company was not a related party / connected person as at June 30, 2023.

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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