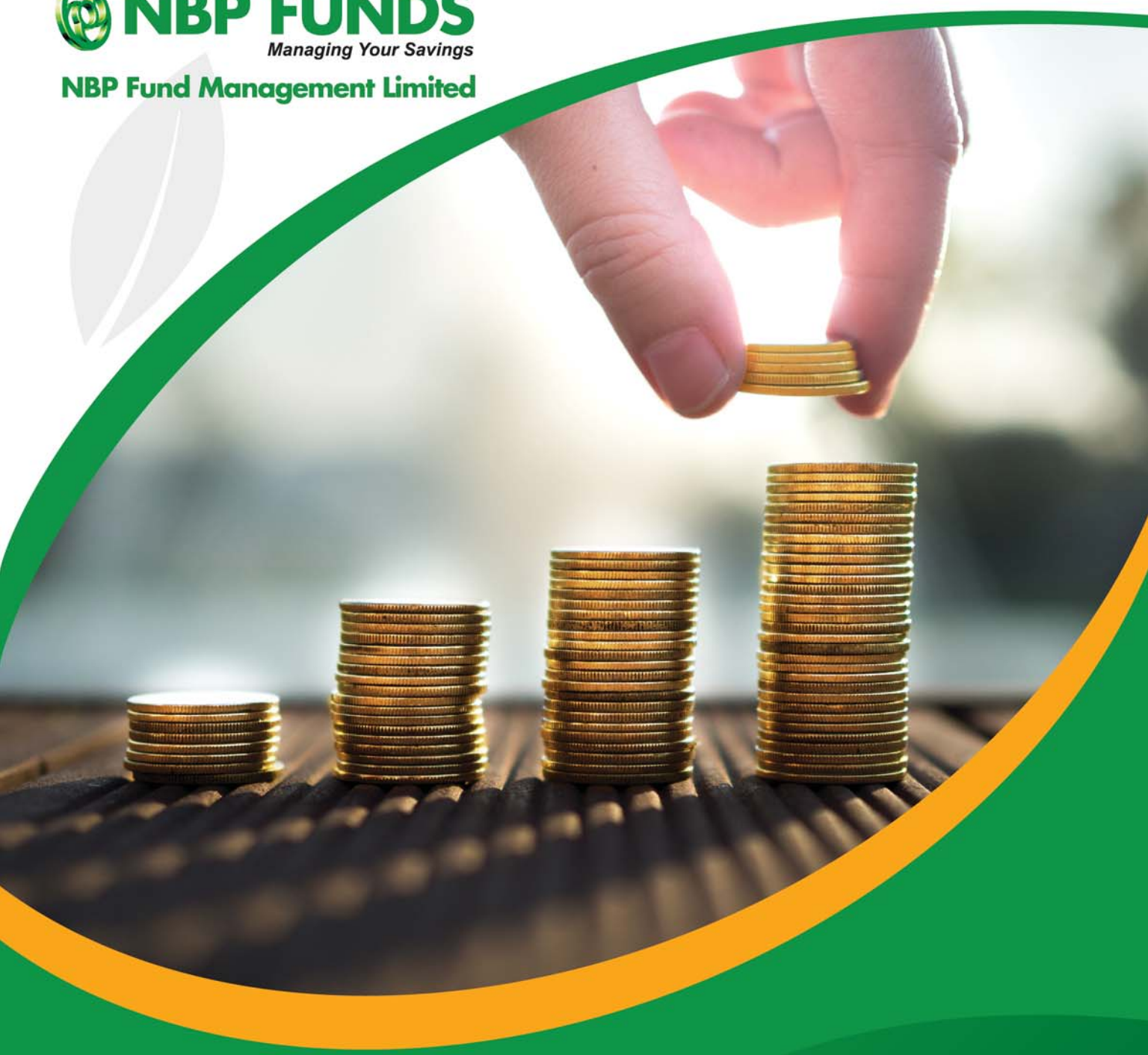




Managing Your Savings

NBP Fund Management Limited



NBP MUSTAHKAM 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

Bank Alfalah Limited
Habib Metropolitan Bank Limited
Allied Bank Limited

Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

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 financial statements of **NBP Mustahkam Fund - NBP Fixed Term Munafa Plan - III (NFTMP-III)** for the quarter ended September 30, 2023.

Fund's Performance

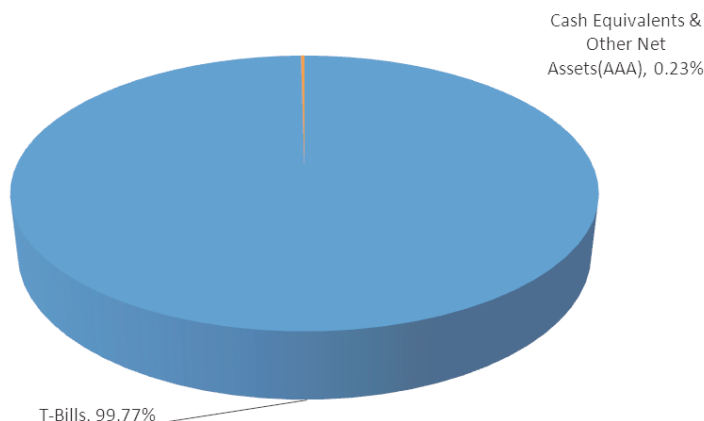
The Plan invests in T-bill of 1 year in line with the maturity of the plan, in order to deliver a fixed return to its unit holders at maturity. NFTMP-III has an initial maturity of one year.

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 543.8million 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.

NFTMP-III is categorized as an is an Open-End Fixed Rate / Return Plan. The fund aims to provide investors with potentially higher returns, for fixed tenure by investing primarily in Fixed Income instruments for a specific duration of time.

The size of NBP Mustahkam Fund - NBP Fixed Term Munafa Plan - III has increased from Rs. 2,055 million to Rs. 2,168 million during the period (i.e., a growth of 5%). The unit price of the Fund has increased from Rs. 9.9953 on June 30, 2023 to Rs. 10.5447 on September 30, 2023, thus showing return of 21.8% p.a. as compared to its benchmark return of 15.7% p.a. for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 117.41 million during the period. After deducting total expenses of Rs. 4.44 million, the net income is Rs. 112.97 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NFTMP-III.



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 مستحکم فنڈ-NBP فکسڈ ٹرم منافع پلان-III (NFTMP-III) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

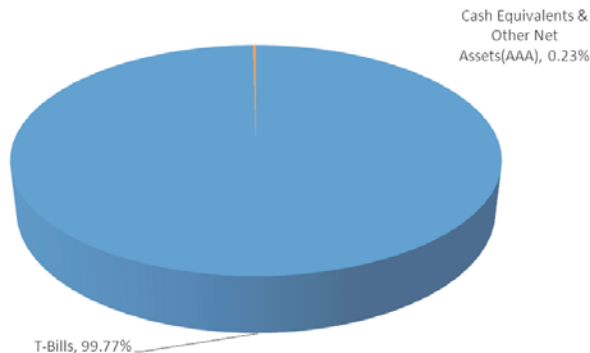
پلان مینجورٹی پر اپنے پونٹ ہولڈرز کو ایک مقررہ منافع فراہم کرنے کے لیے، پلان کی مینجورٹی کے مطابق 1 سال کے ٹی بل میں سرمایہ کاری کرتا ہے۔ NFTMP-III کی ابتدائی مینجورٹی ایک سال ہے۔

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 پیشکش 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 آگے 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 مبادلہ 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 نیلامیوں 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 کیساں طور پر جواب دیا اور مارکیٹ کے شرکاء کی دلچسپیوں کو بنیادی طور پر مختصر مدت کی سیکیورٹیز کی طرف جھکانے رکھا۔

NFTMP-III کی ایک اوپن انڈیکسڈ ریٹ/ریٹرن پلان کے طور پر درجہ بندی کی گئی ہے۔ فنڈ کا مقصد سرمایہ کاروں کو ایک مخصوص مدت تک فکسڈ انکم انسٹرومنٹس میں مقررہ مدت کے لیے سرمایہ کاری کر کے مکتہ طور پر زیادہ منافع فراہم کرنا ہے۔

مدت کے دوران NBP مستحکم فنڈ-NBP فکسڈ ٹرم منافع پلان-III کا سائز 2,055 ملین روپے سے بڑھ کر 2,168 ملین روپے (یعنی 5% کا اضافہ) ہو گیا۔ زبرد جاہزہ مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2023 کو 9.9953 روپے سے بڑھ کر 30 ستمبر 2023 کو 10.5447 روپے ہو گئی۔ لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 15.7% سالانہ کے مقابلے میں 21.8% سالانہ منافع درج کیا ہے۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 117.41 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 4.44 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 112.97 ملین روپے ہے۔ مندرجہ ذیل چارٹ NFTMP-III کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیشکش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ 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 ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP منجمنٹ کمیٹی

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)	(Audited)			
		September 30, 2023	June 30, 2023			
		----- Rupees in 000 -----				
		NFTMP-III	NFTMP-I	NFTMP-II	NFTMP-III	Total
Assets						
Bank balances		8,097	165,662	10,562	3,769	179,993
Investments	4	2,163,303	5,353,088	6,900,526	2,071,076	14,324,690
Profit receivables		253	9,095	193	249	9,537
Advance, deposits and prepayment		112	-	-	111	111
Preliminary expenses and floatation cost		25	-	71	75	146
Total assets		2,171,790	5,527,845	6,911,352	2,075,280	14,514,477
Liabilities						
Payable to NBP Fund Management Limited - Management Company		2,654	21,615	10,020	2,737	34,372
Payable to Central Depository Company of Pakistan Limited - Trustee		132	433	357	123	913
Payable to Securities and Exchange Commissior	7	132	520	222	248	990
Payable against redemption of units		-	25,195	-	-	25,195
Accrued expenses and other liabilities		613	62,172	29,931	16,879	108,982
Total liabilities		3,531	109,935	40,530	19,987	170,452
Net assets		2,168,259	5,417,910	6,870,822	2,055,293	14,344,025
Unit holders' fund (as per statement attached)		2,168,259	5,417,910	6,870,822	2,055,293	14,344,025
Contingency and commitment	5	-	-	-	-	-
Number of units in issue		205,625,662	539,649,920	685,731,889	205,625,662	
Net assets value per unit		10.5447	10.0397	10.0197	9.9953	

The annexed notes 1 to 12 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

	Note	-- Rupees in 000 --
Quarter ended September 30, 2023 NFTMP-III		
Income		
Income from government securities		118,514
Profit on bank deposits		184
(Loss) on sale of investments - net		(30)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(1,258)
Total income		117,410
Expenses		
Remuneration of NBP Fund Management Limited - Management Company		1,504
Sindh Sales Tax on remuneration of the Management Company		196
Remuneration to Central Depository Company of Pakistan Limited - Trustee		292
Sindh Sales Tax on remuneration of Trustee		38
Annual fee - Securities and Exchange Commission of Pakistan	7	398
Reimbursement of operational expenses to the Management Company		796
Reimbursement of selling and marketing expenses	6	954
Auditors' remuneration		131
Securities transaction cost		-
Settlement and bank charges		14
Listing fee		4
Professional charges		53
Amortisation expense		50
Printing charges		14
Total expenses		4,444
Net income for the period before taxation		112,966
Taxation	8	-
Net income for the period after taxation		112,966
Allocation of Net income for the period:		
Net income for the period		112,966
Income already paid on units redeemed		-
Accounting income available for distribution		112,966
- Relating to capital gains		-
- Excluding capital gains		112,966
		112,966

The annexed notes 1 to 12 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
NFTMP-III

- Rupees in 000 -

Net income for the period	112,966
Other comprehensive income for the period	-
Total comprehensive income for the period	112,966

The annexed notes 1 to 12 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

	Capital Value	Undistributed (loss) / income	Total
	----- Rupees in '000 -----		
	NFTMP-III		
Net assets at beginning of the period	2,056,313	(1,020)	2,055,293
Issue of Nil units			
- Capital value	-	-	-
- Element of income	-	-	-
Total proceeds on issuance of units	-	-	-
Redemption of Nil units			
- Capital value	-	-	-
- Element of income / (loss)	-	-	-
Total payments on redemption of units	-	-	-
Total comprehensive income for the period	-	112,966	112,966
Net assets at end of the period	2,056,313	111,946	2,168,259
Undistributed (loss) / income brought forward			
- Realised		62,433	
- Unrealised		(63,453)	
		(1,020)	
Accounting income available for distribution:			
- Relating to capital gains		-	
- Excluding capital gains		112,966	
		112,966	
Distribution during the period		-	
Undistributed income carried forward		111,946	
Undistributed income carried forward			
- Realised		113,204	
- Unrealised		(1,258)	
		111,946	
Net assets value per unit at beginning of the period		9.9953	
Net assets value per unit at end of the period		10.5447	

The annexed notes 1 to 12 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 NFTMP-III
	--- Rupees in 000 ---
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period before taxation	112,966
Adjustments for:	
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,258
Amortisation expense	50
	<u>114,274</u>
(Increase) in assets	
Investments - net	(93,485)
Profit receivable	(4)
Preliminary expenses and floatation cost	-
Advances, deposit and prepayment	(1)
	<u>(93,490)</u>
(Decrease) in liabilities	
Payable to NBP Fund Management Limited -Management Company	(83)
Payable to Central Depository Company of Pakistan Limited - Trustee	9
Payable to Securities and Exchange Commission of Pakistan	(116)
Accrued expenses and other liabilities	(16,266)
	<u>(16,456)</u>
Net cash generated from operating activities	<u>4,328</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Amounts received against issuance of units	-
Distribution paid	-
Net cash generated from financing activities	-
Net increase in cash and cash equivalents during the period	<u>4,328</u>
Cash and cash equivalents at beginning of the period	3,769
Cash and cash equivalents at end of the period	<u><u>8,097</u></u>

The annexed notes 1 to 12 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 MUSTAHKAM 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 18 August 2022 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 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 (MUFAP).

The Fund comprises of one plan namely NBP Fixed Term Munafa Plan III (NFTMP-III). The Fund is an open-ended mutual fund classified as an "Fixed rate/return" 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. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to earn potentially high returns by investing in Fixed investment instruments.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned and maintained an asset manager rating of AM1' of Management Company.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

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 September,9 2022 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial information has been prepared, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

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

- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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.

3 SUMMARY OF SIGNIFICANT 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, 2022. 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

Financial assets at fair value through profit or loss

Market Treasury Bills

Note

(Un-audited)
September 30, 2023
NFTMP-III

- (Rupees in '000) -

4.1

2,163,303

4.1 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 June 30, 2023	Purchases during the period	Sales / matured during the period	As at September 30, 2023			
NFTMP-III								
Market Treasury Bills								
17 November 2022	12 Months	2,250,000	-	26,500	2,223,500	2,163,303	99.77	100.00
						2,163,303	99.77	100.00
Carrying value before fair value adjustment as at September 30, 2023						2,164,561		

5 CONTINGENCIES AND COMMITMENTS

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

6 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 0.15% per annum of the net assets in NIFTMP-III.

7 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 this CIS.

8 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 accumulated losses and 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.

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the plans based on the current period is 0.84% - NFTMP-III which includes 0.12% representing Government Levy, 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.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

Connected persons include NBP Fund Management Limited being the Management Company (NAFA), 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 and NAFA Pension Fund, 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.

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

Remuneration of the Management Company and the 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:

10.1 Transactions during the period:	NFTMP-III -Rupees in '000-				
NBP Fund Management Limited - Management Company					
Remuneration of NBP Fund Management Limited - Management Company					1,504
Sindh Sales Tax on remuneration to Management Company					196
Reimbursement of operational expenses to the Management Company					796
Reimbursement of selling and marketing expenses					954
Central Depository Company of Pakistan					
Remuneration to Central Depository Company of Pakistan Limited - Trustee					292
Sindh Sales Tax on remuneration of Trustee					38
	(Un-Audited) September 30, 2023		(Audited) June 30, 2023		
	NFTMP-III	NFTMP-I	NFTMP-I	NFTMP-III	Total
10.2 Amount outstanding as at period / year end:	----- Rupees in '000 -----				
NBP Fund Management Limited - Management Company					
Management remuneration payable	609	6,895	2,815	262	9,972
Sindh Sales tax payable	79	896	366	34	1,296
Other payable	15	5	-	15	20
Reimbursement of selling and marketing expenses	954	10,125	4,975	1,467	16,567
Reimbursement of operational expenses to the Management Company	796	3,494	1,664	759	5,917
Central Depository Company of Pakistan					
Remuneration Payable	100	370	316	96	782
Sindh Sales Tax on Trustee remuneration	13	48	41	12	101
Other payable to CDC	19	15	-	15	30
Portfolio managed by NBP Funds					
Units held:	130,650	52,919	50,843	10,514	114,275
NFTMP-I : Nil (June 2023: 5,270,961 units)					
NFTMP-II : Nil (June 2023: 5,104,116 units)					
NFTMP-III : 12,390,052 (June 2023:12,390,052 units)					

	(Un-Audited) September 30, 2023			(Audited) June 30, 2023	
	NFTMP-III	NFTMP-I	NFTMP-I	NFTMP-III	Total
	----- Rupees in '000 -----				
PAK AMERICAN FERTILIZERS LTD PROVIDENT FUND TRUST					
Units held:	-	-	-	113,329	113,329
NFTMP-III : Nil (June 2023: 11,338,183 units)					
Key management personnel of the Management Company					
Units held:	-	-	3,091	-	3,091
NFTMP-II : Nil (June 2023 307,910 units)					

11 GENERAL

11.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

12 DATE OF AUTHORISATION FOR ISSUE

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

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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