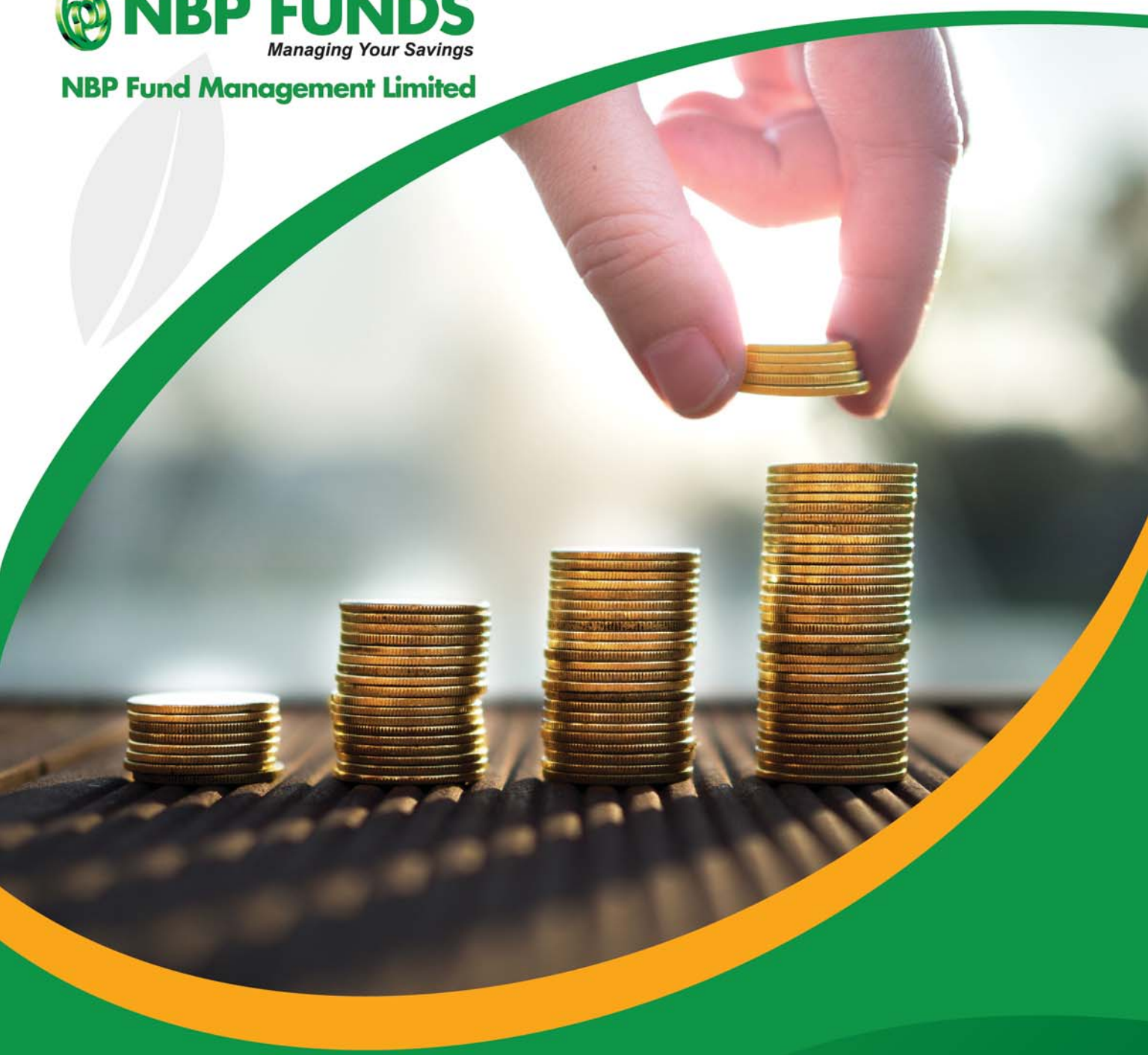




Managing Your Savings

NBP Fund Management Limited



NBP 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	National Bank of Pakistan
Al Baraka Islamic Bank Limited	Silk Bank Limited
Bank Islami Pakistan Limited	Soneri Bank Limited
Bank Alfalah Limited	Khushhali Microfinance Bank Limited
Bank Al Habib Limited	Habib Metropolitan Bank Limited
Dubai Islamic Bank Pakistan Limited	Mobilink Microfinance Bank Limited
Faysal Bank Limited	Telenor Microfinance Bank Limited
HBL Microfinance Bank Limited	The Bank of Khyber
JS Bank Limited	United Bank Limited
MCB Bank Limited	U Microfinance 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.nbpfund.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 Savings Fund (NBP-SF)** for the quarter ended September 30, 2023.

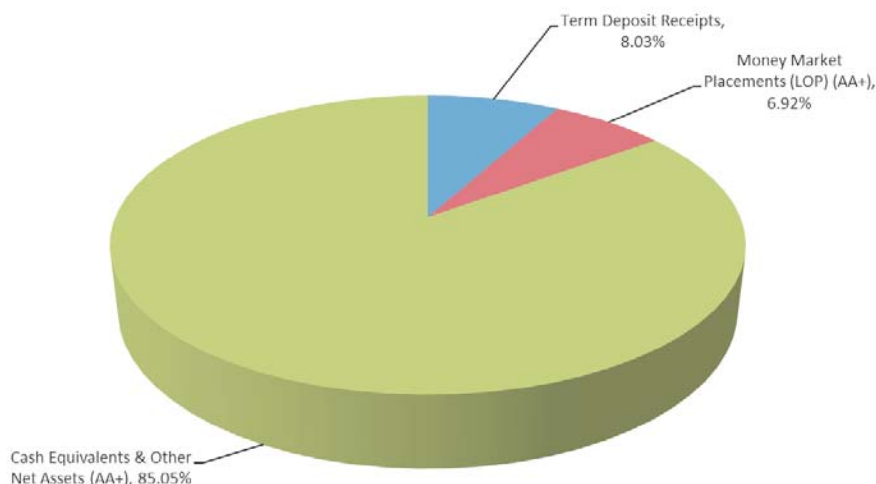
Fund's Performance

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 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.

NBP-SF is categorized as an Income Scheme and has been awarded stability rating of 'A+(f)' by PACRA.

The size of NBP Savings Fund has increased from Rs. 3,321 million to Rs. 3,734 million during the period (i.e., a growth of 12%). The unit price of NBP Savings Fund has increased from Rs. 9.8950 on June 30, 2023 to Rs. 10.3962 on September 30, 2023, thus showing a return of 20.1% p.a. as compared to the benchmark return of 23.2% 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. 197.98 million during the period. After deducting total expenses of Rs. 24.17 million, the net income is Rs. 173.81 million. The asset allocation of NBP-SF 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 سیونگز فنڈ (NBP-SF) کے غیر جانچ شدہ کنڈینسڈ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

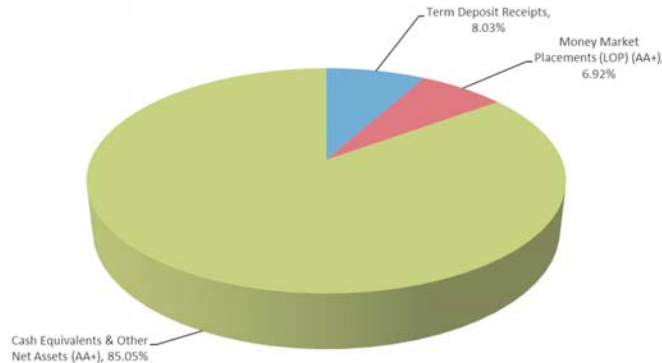
فنڈ کی کارکردگی

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 لیکویڈ زرمبادلہ کے ذخائر 7.62 بلین امریکی ڈالر (جولائی 2023 کے مقابلے میں 543.8 بلین امریکی ڈالر کی کمی) ہیں۔ یہ مالیاتی استحکام کے لیے سنگین مشکلات اور خطرات کی نشاندہی کرتا ہے۔ SBP نے تین پی آئی بی 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 کا یکساں طور پر جواب دیا اور مارکیٹ کے شرکاء کی دلچسپیوں کو بنیادی طور پر مختصر مدت کی سیکورٹیز کی طرف جھکانے رکھا۔

NBP-SF کی اگم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A+(f)' کی مستحکم ریٹنگ دی گئی ہے۔

موجودہ مدت کے دوران NBP سیونگز فنڈ کا سائز 3,321 ملین روپے سے بڑھ کر 3,734 ملین روپے ہو گیا (یعنی 12% کا نمایاں اضافہ ہوا)۔ زیر جائزہ مدت کے دوران، NBP سیونگز فنڈ کے پورٹ کی قیمت 30 جون 2023 کو 9.8850 روپے سے بڑھ کر 30 ستمبر 2023 کو 10.3962 روپے ہو گئی۔ لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 23.2% سالانہ کے مقابلے میں 20.1% 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 197.98 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 24.17 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 173.81 ملین روپے ہے۔ 30 ستمبر 2023 کے مطابق NBP-SF کی ایسٹ ایلوکیشن حسب 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 فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2023

مقام: کراچی

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

		(Unaudited) 30 September 2023	(Audited) 30 June 2023
	Note	(Rupees in '000)	
Assets			
Balances with banks	4	3,146,981	3,321,680
Investments	5	558,547	-
Profit receivable		60,519	55,319
Deposits, prepayments and other receivables		1,082	1,144
Total assets		<u>3,767,129</u>	<u>3,378,143</u>
Liabilities			
Payable to NBP Fund Management Limited - the Management Company		27,027	18,852
Payable to the Central Depository Company of Pakistan Limited - the Trustee		252	224
Payable to the Securities and Exchange Commission of Pakistan	8	223	529
Payable against redemption of units		3,265	12,015
Accrued expenses and other liabilities		2,056	25,943
Total liabilities		<u>32,823</u>	<u>57,563</u>
Net assets		<u>3,734,306</u>	<u>3,320,580</u>
Unit holders' fund (As per statement attached)		<u>3,734,306</u>	<u>3,320,580</u>
Contingencies and commitments	6	-	-
		(Number of units)	
Number of units in issue		<u>359,200,773</u>	<u>335,582,320</u>
		(Rupees)	
Net assets value per unit		<u>10.3962</u>	<u>9.8950</u>

The annexed notes 1 to 14 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		
Return / mark-up on:		
- bank balances and term deposits	181,709	54,044
- term finance certificates and sukuks	-	1,105
- government securities	6,751	13,194
- commercial paper	-	2,484
- margin trading system	-	230
- letter of placement	9,028	658
- Other income	506	-
Net Gain / (Loss) on sale of investments	(16)	7
Net unrealised gain on re-measurement of investments at fair value through profit or loss - held for trading	-	56
Total income	197,978	71,778
Expenses		
Remuneration of NBP Fund Management Limited - the Management Company	13,217	5,309
Sindh sales tax on remuneration of the Management Company	1,718	690
Reimbursement of allocated expenses	1,322	581
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	661	349
Sindh Sales Tax on remuneration of the Trustee	86	45
Annual fee to the Securities and Exchange Commission of Pakistan	661	93
Reimbursement of selling and marketing expenses	6,153	3,718
Settlement and bank charges	77	203
Securities and transaction cost	4	1
Rating Fee	85	97
Annual listing fee	7	7
Auditors' remuneration	128	210
Legal and professional charges	29	100
Printing and other charges	17	13
Total expenses	24,165	11,416
Net income for the period before taxation	173,813	60,362
Taxation	-	-
Net income for the period after taxation	173,813	60,362
Allocation of Net income for the period:		
Net income for the period after taxation	173,813	60,362
Income already paid on units redeemed	(9,080)	(2,621)
	164,733	57,741
-Relating to capital gains	-	63
-Excluding capital gains	164,733	57,678
Accounting Income available for Distribution	164,733	57,741

The annexed notes 1 to 14 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 year after taxation	173,813	60,362
Other comprehensive income	-	-
Total comprehensive income for the period	173,813	60,362

The annexed notes 1 to 14 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 September					
	2023			2022		
	Value	Undistributed income	Total	Value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the year	3,291,941	28,639	3,320,580	1,719,315	9,040	1,728,355
Issuance of 84,509,404 units (2022: 47,602,900 units)						
- Capital value	836,220	-	836,221	468,104	-	468,105
- Element of income	21,026	-	21,026	8,550	-	8,550
Total proceeds on issuance of units	857,246	-	857,247	476,654	-	476,655
Redemption of 60,890,951 units (2022: 25,254,216 units)						
- Capital value	(602,516)	-	(602,516)	(248,337)	-	(248,337)
- Element of loss	(5,738)	(9,080)	(14,818)	(1,685)	(2,621)	(4,306)
Total payments on redemption of units	(608,254)	(9,080)	(617,334)	(250,022)	(2,621)	(252,643)
Total comprehensive income for the period	-	173,813	173,813	-	60,362	60,362
Net assets at end of the period	3,540,933	193,372	3,734,306	1,945,947	66,781	2,012,729
Undistributed loss brought forward						
- Realised		28,639			9,040	
- Unrealised		-			-	
		<u>28,639</u>			<u>9,040</u>	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		164,733			57,741	
		<u>164,733</u>			<u>57,741</u>	
Undistributed income carried forward		<u>193,372</u>			<u>66,781</u>	
Undistributed income carried forward						
- Realised		193,372			66,725	
- Unrealised		-			56	
		<u>193,372</u>			<u>66,781</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			<u>9.8950</u>			<u>9.8335</u>
Net assets value per unit at end of the period			<u>10.3962</u>			<u>10.1596</u>

The annexed notes 1 to 14 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 FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	173,813	60,362
Adjustments for non-cash charges and other items:		
Net unrealised (appreciation) in fair value of investments classified as 'at fair value through profit or loss'	-	(56)
	173,813	60,306
(Decrease) in assets		
Investments	(558,547)	(1,144,263)
Profit receivable	(5,200)	6,519
Receivable against margin trading system	-	(88,607)
Deposits, prepayments and other receivables	62	(184)
	(563,685)	(1,226,535)
(Increase) in liabilities		
Payable to Management Company	8,175	2,558
Payable to the Central Depository Company of Pakistan Limited - Trustee	28	29
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(306)	(209)
Accrued expenses and other liabilities	(23,887)	(3,832)
	(15,990)	(1,454)
Net cash (used in) operating activities	(405,862)	(1,167,683)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	857,247	476,655
Payments on redemption of units	(626,084)	(251,361)
Net cash generated from / financing activities	231,163	225,294
Net decrease in cash and cash equivalents during the period	(174,699)	(942,389)
Cash and cash equivalents at beginning of the period	3,321,680	1,651,129
Cash and cash equivalents at end of the period	3,146,981	708,740

The annexed notes 1 to 14 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 Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited, as the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 14 December 2007 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 18, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The Management Company of the Fund has been licensed to act as an Asset Management Company by the SECP 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 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund, categorised as an income scheme as per the criteria for categorisation of open end collective investment scheme as specified by the Securities and Exchange Commission of Pakistan (SECP) and the Fund is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.

The investment objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (2022: AM1) on June 22, 2023. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has determined the stability rating of the Fund at "A+(f)" (2022: "A+(f)" on April 19, 2022) dated April 14, 2023.

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

The Fund also provides accidental death (free), life insurance / life takaful and health coverage to unit holders of the Fund as stated in the Offering Document.

The cost of premium is borne by the investor (where applicable). Such premium cost is deducted from the unit holder's investment on a monthly basis in case of life insurance and annual basis in case of health insurance and deposited with the Insurance Company / Takaful Operator by the Management Company as per the terms and conditions of the Insurance / Takaful coverage defined in the Insurance / Takaful policy document signed between the Insurance Company / Takaful Operator and Management Company.

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 VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

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

These 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 expenses and other factors. 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 audited 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 audited annual financial statements as at and for the year ended June 30, 2023.

		Un-audited September 30, 2023	Audited June 30, 2023
4	BANK BALANCES	Note	(Rupees in '000)
	In savings accounts	4.1	3,321,680
		<u>3,146,981</u>	<u>3,321,680</u>
		<u>3,146,981</u>	<u>3,321,680</u>

4.1 These saving accounts carry mark-up at rates ranging from 20.50% to 24% per annum (June 2023: 19.50% to 22.60% per annum).

		Un-audited September 30, 2023	Audited June 30, 2023
5	INVESTMENTS	Note	(Rupees in '000)
	At fair value through profit or loss		
	Term finance certificates - unlisted	5.1	-
	Government securities - Market Treasury Bills	5.2	-
	Term Deposit Receipts	5.3	-
	Letter of Placement	5.4	-
		<u>300,000</u>	<u>-</u>
		<u>258,547</u>	<u>-</u>
		<u>558,547</u>	<u>-</u>

5.1 Term finance certificates and sukuk bonds

5.1.1 Term finance certificates - At fair value through profit or loss

Name of the investee company	Number of certificates				Market value as at September 30, 2023 (Rs in '000)	Investment as a percentage of		
	As at July 1, 2023	Purchases during the period	Sales during the period	As at September 30, 2023		Net assets	Market value of total investments	Issue size
Term finance certificates - listed								
Saudi Pak Leasing Company Limited	15,000	-	-	15,000	-	-	-	-
Worldcall Telecom Limited	14,000	-	-	14,000	-	-	-	-
				<u>29,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Term finance certificates - unlisted								
AgriTech Limited II	30,000	-	-	30,000	-	-	-	-
AgriTech Limited V	4,436	-	-	4,436	-	-	-	-
				<u>34,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
				<u>63,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying cost of investments as at September 30, 2023					<u><u>234,892</u></u>			
Accumulated Impairment					<u><u>234,892</u></u>			

5.1.2 The investee companies had defaulted on their obligation on account of principal and profit payments and accordingly the certificates had been classified as non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 233.152 (2023: Rs. 233.658) million against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.1.3 During the period, the Fund has received Rs 0.506 million (2023: Rs 1.235 million) against recovery of provided term finance certificate of AgriTech Limited

5.1.4 Sukuk bonds - At fair value through profit or loss

Name of the investee company	Number of certificates				Market value as at September 30, 2023 (Rs in '000)	Investment as a percentage of		
	As at July 1, 2023	Purchases during the period	Sales during the period	As at September 30, 2023		Net assets	Market value of total investments	Issue size
Sukuk bonds - unlisted								
New Allied Electronics Industries (Private) Limited	10,000	-	-	10,000	-	-	-	-
Eden Housing Limited	20,000	-	-	20,000	-	-	-	-
				30,000	-	-	-	-
Carrying cost of investments as at September 30, 2023					68,742			
Accumulated Impairment					68,742			

5.1.5 The investee companies had defaulted on their obligation on account of principal and profit payments and accordingly the certificates had been classified as non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 68.742 (2023: Rs. 68.742) million against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.2 Government securities - Market Treasury Bills

Issue Date	Issue Date	Face Value				Market value as at September 30, 2023	Investment as a	
		As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at September 30, 2023		Net assets	Market value of total investments
June 15, 2023	3 Months	-	300,000	300,000	-	-		
Market Value as at September 30, 2023						-		

(Rs. in "000")

5.3 Term Deposit Receipts

Issue Date	Issue Date	Face Value				Market value as at September 30, 2023	Investment as a	
		As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at September 30, 2023		Net assets	Market value of total investments
Soneri Bank Ltd.	26-Sep-23	-	300	-	300	300,000		
Market Value as at September 30, 2023						300,000		

(Rs. in "000")

5.3.1 These carries profit at the rate of 23.25% per annum and will mature on October 11, 2023.

5.4 Letter of Placement

Issue Date	Issue Date	Face Value				Market value as at September 30, 2023	Investment as a	
		As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at September 30, 2023		Net assets	Market value of total investments
						(Rs. in "000")		
Pak-Libya Holding Co. (Pvt.) Ltd.	4-Aug-23	-	250,000	250,000	-	-	-	-
Pak-Libya Holding Co. (Pvt.) Ltd.	15-Sep-23	-	256,487	256,487	-	-	-	-
Pak-Libya Holding Co. (Pvt.) Ltd. (5.3.1)	28-Sep-23	-	258,547	-	258,547	258,547	40.65	86.75
Market Value as at September 30, 2023						<u><u>258,547</u></u>		
Carrying cost of investments as at September 30, 2023						<u><u>258,547</u></u>		

5.4.1 These carries profit at the rate of 22.65% per annum and will mature on October 31, 2023.

6 Contingencies and commitments

There were no contingencies and commitments outstanding 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 0.65% 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 realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

10 Total Expense Ratio

The annualised total expense ratio (TER) of the Fund based on the current period is 2.46% (September 30, 2022: 2.46%) which includes 0.28% (September 30, 2022: 0.18%) 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".

11 DETAILS OF NON-COMPLIANT INVESTMENTS

The SECP vide Circular no. 7 of 2009 dated March 6, 2009, required all asset management companies to categorise funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

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

Type of Investment	Name of Non-Compliant Investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
	New Allied Electronics (Pvt) Ltd II	49,054	49,054	-	-	-
	AgriTech Limited II	148,135	148,135	-	-	-
Investment in	AgriTech Limited V	22,180	22,180	-	-	-
Debt Securities	Eden Housing Ltd.	19,688	19,688	-	-	-
	Saudi Pak Leasing Co.	41,321	41,321	-	-	-
	Worldcall Telecom Limited.	21,516	21,516	-	-	-
		301,894	301,894	-	-	-

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

12 TRANSACTIONS WITH CONNECTED PERSONS

- 12.1 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.

- 12.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 12.3** Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 12.4** 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
12.5 Details of the transactions with connected persons are as follows:	(Rupees in '000)	
NBP Fund Management Limited - Management company		
Remuneration of NBP Fund Management Limited - the Management Company	13,217	5,309
Sindh Sales Tax on remuneration of the Management Company	1,718	690
Sale load and transfer load during the period	6,646	1,156
Sale tax on sale load and transfer load	864	150
Reimbursement of operational expenses to the Management Company	1,322	581
Reimbursement of selling and marketing expenses	6,153	3,718
ADC chargers including Sindh sale tax	294	91
Central Depository Company of Pakistan - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	661	349
Sindh Sales Tax on remuneration of the Trustee	86	45
Employees of Management Company		
Units Issued / Trasferred In 43,319 units (2022: 590,718 units)	454	5,931
Units Redeemed / Transferred Out 17,891 units (2022: 1,457,282 unit)	180	14,489
Portfolio managed by the Management Company		
Units Issued / Trasferred In Nil units (2022: 285,728 units)	-	2,851
Bankislami Pakistan Limited (Common Directorship)		
Bank profit	-	168
National Clearing Company of Pakistan (Common Directorship)		
NCCPL Charges	-	141
K.T.H CP Fund (M.T.I)		
Units Issued / Trasferred In 5,858,694 units (2022: 3,997,654 units)	59,027	39,899
Units Redeemed / Transferred Out 153,862 units (2022: 46,426 units)	1,556	465
K-Electric (Common Directorship)		
Purchase of K-electric sukuk	-	45,000
Income on sukuk certificates	-	1,105

	Un-audited As at September 30, 2023	Audited As at June 30, 2023
	(Rupees in '000)	
12.6 Amounts outstanding as at period / year end		
NBP Fund Management Limited - Management company		
Remuneration of the Management Company	4,454	3,958
Sindh Sales Tax on remuneration of the Management Company	579	515
Reimbursement of allocated expenses payable	1,322	1,210
Reimbursement of selling and marketing expenses payable	6,153	6,454
Sales and transfer load payable	9,883	3,236
Sindh Sales Tax on sales and transfer load	1,276	421
Federal Excise Duty on remuneration of the Management Company	2,808	2,808
ADC charges payable including Sindh Sales tax	552	250
Central Depository Company of Pakistan - Trustee		
Remuneration payable	223	198
Sindh Sales Tax on remuneration of the trustee	29	26
Security deposit	100	100
CDC Charges	82	61
Employees of the Management Company		
Investment held in the fund 205,962 units (June 30, 2023 : 158,009 units)	1,911	1,563
Telenor Microfinance Bank Limited (Common Directorship)**		
Bank balance	6	6
Profit receivable on bank balance	2	2
NBP Employees Pension Fund		
Investment held in the Fund 101,023,956 units; (June 30, 2023: 101,023,957 units)	1,050,265	999,632
K.T.H CP Fund (M.T.I) - 10% holding or more of the units		
United held: 60,328,451 units (June 30, 2023: 54,623,619 units)	627,187	540,501
Portfolio managed by the Management Company		
Units held in the fund: 1,011,455 units (2023: 725,726 units)	10,276	-
National Bank of Pakistan - (parent of the Management Company)		
Bank balance	3,661	2,262
Profit receivable on bank balance	18	-
13 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.

14 GENERAL

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

14.2 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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