

**NBP**  
**GOVERNMENT SECURITIES**  
**SAVINGS FUND**

**ANNUAL REPORT**  
**2022**

**AM1**  
Rated by PACRA

# MISSION STATEMENT

"To become country's most  
investor-focused company,  
by assisting investors  
in achieving their financial goals."

# Contents

<b>FUND'S INFORMATION</b>	<b>03</b>
<b>DIRECTORS' REPORT</b>	<b>07</b>
<b>TRUSTEE REPORT TO THE UNIT HOLDERS</b>	<b>13</b>
<b>FUND MANAGER REPORT</b>	<b>14</b>
<b>INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS</b>	<b>16</b>
<b>STATEMENT OF ASSETS AND LIABILITIES</b>	<b>19</b>
<b>INCOME STATEMENT</b>	<b>20</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>21</b>
<b>STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND</b>	<b>22</b>
<b>CASH FLOW STATEMENT</b>	<b>23</b>
<b>NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS</b>	<b>24</b>
<b>PERFORMANCE TABLE</b>	<b>45</b>

## 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. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

### Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member
Mr. Saad Amanullah Khan	Member

### Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	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.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

## Board of Directors



**Dr. Amjad Waheed, CFA**  
Chief Executive Officer



**Shaikh Muhammad Abdul Wahid Sethi**  
Chairman



**Mr. Khalid Mansoor**  
Director



**Mr. Humayun Bashir**  
Director



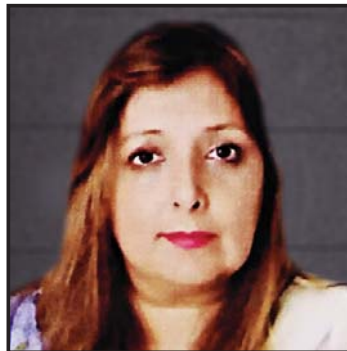
**Mr. Tauqeer Mazhar**  
Director



**Mr. Ali Saigol**  
Director



**Mr. Saad Amanullah Khan**  
Director



**Ms. Mehnaz Salar**  
Director



**Mr. Imran Zaffar**  
Director

# Senior Management



**Dr. Amjad Waheed, CFA**  
Chief Executive Officer



**Mr. Muhammad Murtaza Ali**  
Chief Operating Officer &  
Company Secretary



**Mr. Asim Wahab Khan, CFA**  
Chief Investment Officer



**Mr. Ozair Khan**  
Chief Technology Officer



**Mr. Salim S Mehdi**  
Chief Innovation &  
Strategy Officer



**Mr. Samiuddin Ahmed**  
Country Head Corporate Marketing



**Mr. Khalid Mehmood**  
Chief Financial Officer



**Mr. Salman Ahmed, CFA**  
Head of Fixed Income



**Mr. Hassan Raza, CFA**  
Head of Research



**Mr. Muhammad Umer Khan**  
Head of Human Resources &  
Administration



**Syed Sharoz Mazhar, CFA**  
Head of Business &  
Sales Strategy



**Mr. Zaheer Iqbal, ACA FPFA**  
Head of Operations



**Mr. Waheed Abidi**  
Head of Internal Audit



**Mr. Muhammad Imran, CFA, ACCA**  
Head of Portfolio Management



**Syed Haseeb Ahmed Shah**  
Head of Compliance

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the 8th Annual Report of **NBP Government Securities Savings Fund (NGSSF)** for the year ended June 30, 2022.

### Fund's Performance

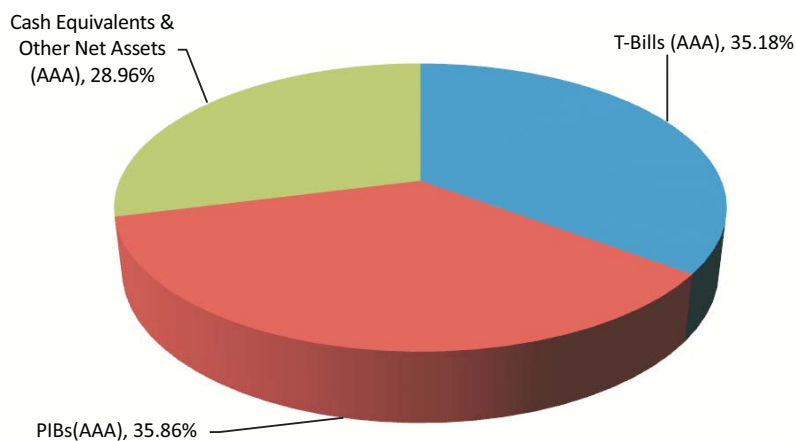
During FY22, State Bank of Pakistan (SBP) held eight (8) Monetary Policy meetings and increased the discount rate from 8% to 14.75% - to counter inflationary pressures, ensure economic sustainability and safeguard external & price stability; owing to significant domestic political noise and global uncertainty. During the second half, global economic conditions deteriorated due to Russia-Ukraine conflict and burgeoning commodity prices, which pushed all the central banks across the world to confront multi-year high inflation and challenging outlook. Domestically, the inflation trajectory also remained on an uptrend due to i) sharp spike in prices of food component, ii) continued pressure on the Rupee, iii) increase in utility tariffs, and iv) reversal of fuel subsidies. Inflation as measured by CPI clocked in at 21.3% in June-22 as against 9.7% during corresponding month last year. Gross foreign exchange reserves with SBP also shrunk to USD 9.8 billion at June-22 end compared to USD 17.3 billion a year ago. The outlook for inflation has deteriorated and risks to external stability have risen, with further rate hikes likely in the initial half of the upcoming year.

SBP held twenty-six (26) T-Bill auctions, realizing a total of Rs. 17.1 trillion. The sovereign yields also witnessed high movements resulting in sharp rise in secondary market yields, which maintained their high delta from the Policy Rate. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 770, 762 and 749 basis points, respectively. Similarly, yields on 3-year, 5-year, and 10-year PIBs surged by 4.46%, 3.44%, and 2.98%, respectively.

NBP Government Securities Savings Fund (NGSSF) invests a minimum of 70% in Government Securities. The Fund invests at least 10% of its assets in less than 90 days T-Bills or saving accounts with banks, which enhances liquidity profile of the Fund.

The size of NBP Government Securities Savings Fund has decreased from Rs. 213 million to Rs. 138 million during the period, i.e., a drop of 35%. During the said period, the unit price of the Fund has increased from Rs. 9.4353 (Ex-Div) on June 30, 2021 to Rs. 10.4090 on June 30, 2022 thus posting a return of 10.3% as compared to its Benchmark return of 10.7% for the same period. The return of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 20.45 million during the year. After deducting total expenses of Rs. 3.28 million, the net income is Rs. 17.17 million. The asset allocation of NGSSF as on June 30. The asset allocation of NGSSF as on June 30, 2022 is, as follows:





## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 10.21% of the opening ex-NAV (10.62% of the par value) during the year ended June 30, 2022.

## Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

## Sindh Workers' Welfare Fund (SWWF)

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP Government Securities Savings Fund amounting to Rs. 4.72 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Government Securities Savings Fund by 2.33%. This is one-off event and is not likely to be repeated in the future.

## Auditors

The present auditors, Messrs A.F. Ferguson & Co., Chartered Accountants, retired and, being eligible, offer themselves for re-appointment for the year ending June 30, 2023.

## Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held five meetings during the year. The attendance of all directors is disclosed in the note 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 20 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2022, the Board included:

<b>Category</b>	<b>Names</b>
<b>Independent Directors</b>	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir
<b>Executive Director</b>	Dr. Amjad Waheed - Chief Executive Officer
<b>Non-Executive Directors</b>	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Tauqeer Mazhar 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

**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: **September 27, 2022**

Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) کی چودھویں سالانہ رپورٹ برائے تختہ سال 30 جون 2022ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### فنڈ کی کارکردگی

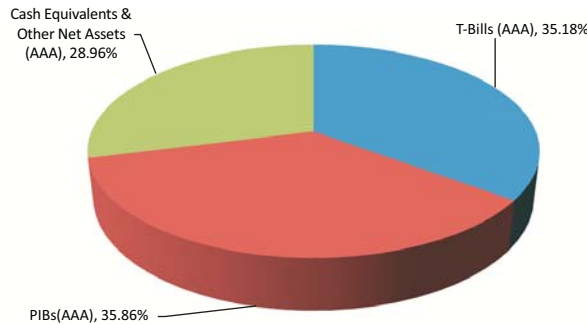
مالی سال 22 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے آٹھ (8) ماہی پالیسی اجلاس منعقد کئے اور اہم ملکی سیاسی شورا اور عالمی غیر یقینی صورتحال کی وجہ سے افراط زر کے دباؤ کا مقابلہ کرنے، معاشی استحکام کو یقینی بنانے اور بیرونی اور قیمتوں کے استحکام کی حفاظت کے لیے؛ ڈسکاؤنٹ کی شرح کو 8% سے بڑھا کر 14.75% کر دیا۔ دوسری ششماہی کے دوران، روس-یوکرین تنازعہ اور ایشیاء کی بڑھتی ہوئی قیمتوں کی وجہ سے عالمی اقتصادی حالات خراب ہو گئے، جس نے دنیا بھر کے تمام مرکزی بینکوں کو کئی سالوں کی بلند افراط زر اور چیلنجز آؤٹ لک کا سامنا کرنے پر مجبور کر دیا۔ ملکی سطح پر، افراط زر میں بھی بڑھنے کا رجحان رہا جس کی وجہ سے (i) غذائی اجزاء کی قیمتوں میں تیزی سے اضافہ، (ii) روپیہ پر مسلسل دباؤ، (iii) یوٹیلٹی ٹیرف میں اضافہ، اور (iv) ایندھن کی سبسڈی کا ختم ہونا۔ CPI کی پیش کردہ افراط زر جون-22 میں 21.3 فیصد تک پہنچ گئی جو گزشتہ سال کے اسی مہینے کے دوران 9.7 فیصد تھی۔ اسٹیٹ بینک پاکستان کے پاس غیر ملکی زرمبادلہ کے مجموعی ذخائر بھی ایک سال قبل 17.3 بلین امریکی ڈالر کے مقابلے جون-22 کے آخر میں 9.8 بلین امریکی ڈالر تک کم ہو گئے۔ افراط زر کا نقطہ نظر خراب ہو گیا اور بیرونی استحکام کے لیے خطرات بڑھ گئے ہیں، آئندہ سال کی پہلی ششماہی میں شرح مزید بڑھنے کا امکان ہے۔

اسٹیٹ بینک پاکستان نے چھبیس (26) ٹی بل نیلامیوں کا انعقاد کیا، جس سے کل 17.1 ٹریلین روپے کی وصولی ہوئی۔ حکومتی شرح منافع میں بھی حرکت دیکھی گئی جس کے نتیجے میں ثانوی مارکیٹ کی شرح منافع میں تیزی سے اضافہ ہوا، جس نے پالیسی ریٹ سے اپنے اعلیٰ تغیر کو برقرار رکھا۔ 3-ماہ، 6-ماہ اور 12-ماہ کی مدت کے لئے T-Bills کی شرح منافع میں بالترتیب 762،770 اور 749 پیسز پوائنٹس کا اضافہ ہوا۔ اسی طرح 3 سالہ، 5 سالہ اور 10 سالہ PIBs کی پیداوار میں بالترتیب 4.46%، 3.44% اور 2.98% کا اضافہ ہوا۔

NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) گورنمنٹ سیکورٹیز میں کم از کم 70% سرمایہ کاری کی ہے۔ فنڈ اپنے اثاثوں کا کم از کم 10% Bills-T 90 دنوں سے بھی کم وقت میں یا بینکوں کے ساتھ بچت کھاتوں میں لگا تا ہے، جس سے فنڈ کی لیکویڈٹی پروفائل میں اضافہ ہوتا ہے۔

موجودہ مدت کے دوران، NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) کا سائز 213 بلین روپے سے کم ہو کر 138 بلین روپے ہو گیا یعنی 35% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2021 کو 9.4353 روپے (Ex-Div) سے بڑھ کر 30 جون 2022 کو 10.4090 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے نیچ مارک منفعت 10.7% کے مقابلے میں 10.3% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے سال کے دوران 20.45 بلین روپے کی مجموعی آمدنی کمائی۔ 3.28 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 17.17 بلین روپے ہے۔ 30 جون 2022 کو این بی پی گورنمنٹ سیکورٹیز سیونگ فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



## آمدنی کی تقسیم

مبجٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2022 سال کے اختتام پر اویپنگ ex-NAV کا 10.21% (بنیادی قیمت کا 10.62%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## ٹیکسیشن

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر اکٹم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لگائے گئے ہوتے ہیں۔

## سندھ ورکرز ویلفیئر فنڈ (SWWF)

اگست 2021 کے دوران کو NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ کی طرف سے سندھ ورکرز ویلفیئر فنڈ کی پروڈیگت کے بعد مرسلہ نمبر SRB/TP/70/2013/8772 مورخہ 12 اگست 2021 کی رو سے سندھ ریونیو بورڈ کی طرف سے موصولہ کلیئر ٹیکسیشن پر میوچل فنڈ ز ایسوسی ایشن آف پاکستان کو دی گئی 4.72 ملین روپے کی رقم واپس کر دی گئی۔ پروڈیگت کی اس واپسی کے باعث 13 اگست 2021 کو NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ کے NAV میں 2.33% کا غیر معمولی اضافہ ہوا ہے۔ یہ ایک ایسا موقع ہے جو کہ مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

## آڈیٹرز

موجودہ آڈیٹرز، میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے اور اہل ہونے کی بنا پر، 30 جون 2023 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔

## لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

1. مبجٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شاریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران مبجٹ کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 20 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2022 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں

نام	کیٹگری
1. جناب خالد منصور 2. جناب سعد امان اللہ خان 3. جناب ہمایوں بشیر	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
1. شیخ محمد عبدالواحد سیٹھی (چیئرمین) 2. جناب توقیر مظہر 3. محترمہ مہناز سالار 4. جناب علی سیدگل 5. جناب عمران ظفر	نان ایگزیکٹو ڈائریکٹرز

## 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 مفلس 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 فنڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 27 ستمبر 2022ء

مقام: کراچی

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Government Securities Savings Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, September 28, 2022

## FUND MANAGER REPORT

### NBP Government Securities Savings Fund

NBP Government Securities Savings Fund (NGSSF) is an Open-End Income Scheme.

#### Investment Objective of the Fund

The objective of NBP Government Securities Savings Fund is to provide competitive return from portfolio of low credit risk by investing primarily in Government Securities.

#### Benchmark

6-Month PKRV

#### Fund Performance Review

This is the 8th Annual report since the launch of the Fund on July 10, 2014. The Fund size stands at Rs. 138 million as of June 30, 2022. Since its inception, the Fund posted a return of 9.4% p.a. versus the benchmark return of 8.4% p.a. This translates into outperformance of 1.0% p.a. During FY22, the Fund posted a 10.3% return versus the benchmark return of 10.7%. The return of the Fund is net of the management fee.

NBP Government Securities Savings Fund (NGSSF) invests a minimum of 70% in Government Securities. The Fund invests at least 10% of its assets in less than 90 days T-Bills or saving accounts with banks, which enhances the liquidity profile of the Fund.

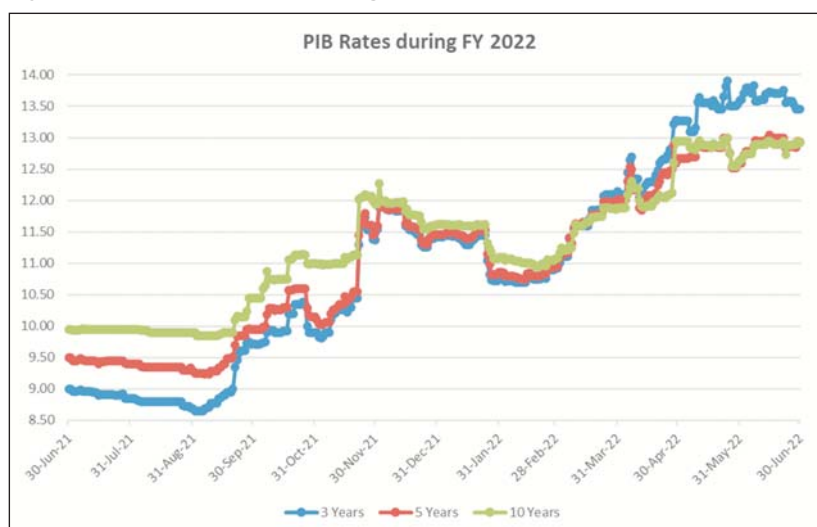
During FY22, State Bank of Pakistan (SBP) held eight (8) Monetary Policy meetings and increased the discount rate from 8% to 14.75% - to counter inflationary pressures, ensure economic sustainability and safeguard external & price stability; owing to significant domestic political noise and global uncertainty. During the second half, global economic conditions deteriorated due to Russia-Ukraine conflict and burgeoning commodity prices, which pushed all the central banks across the world to confront multi-year high inflation and challenging outlook. Domestically, the inflation trajectory also remained on an uptrend due to i) sharp spike in prices of food component, ii) continued pressure on the Rupee, iii) increase in utility tariffs, and iv) reversal of fuel subsidies. Inflation as measured by CPI clocked in at 21.3% in June-22 as against 9.7% during corresponding month last year. Gross foreign exchange reserves with SBP also shrunk to USD 9.8 billion at June-22 end compared to USD 17.3 billion a year ago. The outlook for inflation has deteriorated and risks to external stability have risen, with further rate hikes likely in the initial half of the upcoming year.

SBP held twenty-six (26) T-Bill auctions, realizing a total of Rs. 17.1 trillion. The sovereign yields also witnessed high movements resulting in sharp rise in secondary market yields, which maintained their high delta from the Policy Rate. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 770, 762 and 749 basis points, respectively. Similarly, yields on 3-year, 5-year, and 10-year PIBs surged by 4.46%, 3.44%, and 2.98%, respectively.

#### Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-22	30-Jun-21
PIBs	35.86%	38.49%
T-Bills	35.18%	51.21%
Cash (Cash Equivalents) & Other Assets	28.96%	10.29%
<b>Total</b>	<b>100%</b>	<b>100%</b>

PIB yields during the year are shown in the below graph:



### Distribution for the Financial Year 2022

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
June-22	1.0622%	11.4613	10.3991

### Unit Holding Pattern of NBP Government Securities Savings Fund as on June 30, 2022

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	55
1-1000	136
1001-5000	33
5001-10000	13
10001-50000	38
50001-100000	13
100001-500000	21
500001-1000000	1
1000001-5000000	3
<b>Total</b>	<b>313</b>

### During the period under question

There has been no significant change in the state of affairs of the Fund. NBP Government Securities Savings Fund does not have any soft commission arrangement with any broker in the industry.

### Sindh Workers' Welfare Fund (WWF)

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP Government Securities Savings Fund amounting to Rs. 4.72 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Government Securities Savings Fund by 2.33%. This is one-off event and is not likely to be repeated in the future.



## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Government Securities Savings Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of NBP Government Securities Savings Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Net Asset Value</b> (Refer notes 4 and 5 to the annexed financial statements)</p> <p>The bank balances and investments constitute the most significant component of the net asset value (NAV). The bank balances and investments of the Fund as at June 30, 2022 amounted to Rs. 45.832 million and Rs. 98.269 million respectively.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>tested the design and operating effectiveness of the key controls for valuation of investments;</li> <li>obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2022 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> </ul>

S. No.	Key Audit Matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

## A.F. Ferguson & Co.

Chartered Accountants

Karachi

Date: September 28, 2022

UDIN : AR202210061T2M56sulw

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2022

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
<b>ASSETS</b>			
Bank balances	4	45,832	141,405
Investments	5	98,269	190,662
Deposits, prepayments and other receivables	6	874	943
Profit receivable	7	1,453	3,814
<b>Total assets</b>		<b>146,428</b>	<b>336,824</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - the Management Company	8	5,872	5,884
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	7	14
Payable to the Securities and Exchange Commission of Pakistan	10	34	58
Payable against purchase of investments		-	108,837
Payable against redemption of units		-	3,000
Accrued expenses and other liabilities	11	2,191	6,494
<b>Total liabilities</b>		<b>8,104</b>	<b>124,287</b>
<b>NET ASSETS</b>		<b>138,324</b>	<b>212,537</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>138,324</b>	<b>212,537</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		----- <b>Number of units</b> -----	
<b>NUMBER OF UNITS IN ISSUE</b>	13	<b>13,288,874</b>	<b>20,438,133</b>
		----- <b>Rupees</b> -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>10.4090</b>	<b>10.3991</b>

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
Note	----- (Rupees in '000) -----	
<b>Income</b>		
Income on Market Treasury Bills	5,914	3,877
Income on Pakistan Investment Bonds	5,701	10,641
Income on term deposit receipts	-	1,675
Profit on bank balances	5,490	8,690
Loss on sale of investments - net	(887)	(8,093)
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	(454)	(427)
	(1,341)	(8,520)
	15,764	16,363
<b>Total income</b>		
<b>Expenses</b>		
Remuneration of NBP Fund Management Limited - the Management Company	355	655
Sindh sales tax on remuneration of the Management Company	46	85
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	100	189
Sindh sales tax on remuneration of the Trustee	13	25
Annual fee of the Securities and Exchange Commission of Pakistan	35	58
Reimbursement of allocated expenses	216	335
Reimbursement of selling and marketing expenses	1,208	2,041
Auditors' remuneration	519	436
Securities transaction cost	10	17
Bank charges	58	67
Annual listing fee	25	25
Legal and professional charges	354	107
Annual rating fee	287	370
Printing charges	51	53
<b>Total operating expenses</b>	3,277	4,463
<b>Net income from operating activities</b>	12,487	11,900
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	4,681	(238)
<b>Net profit for the year before taxation</b>	17,168	11,662
Taxation	-	-
<b>Net profit for the year after taxation</b>	17,168	11,662
<b>Earning per unit</b>		
<b>Allocation of net income for the year:</b>		
Net income for the year after taxation	17,168	11,662
Income already paid on units redeemed	(5,076)	(2,950)
	12,092	8,712
<b>Accounting income available for distribution:</b>		
- Relating to capital gains	-	-
- Excluding capital gains	12,092	8,712
	12,092	8,712

The annexed notes 1 to 31 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees in '000) -----	
<b>Net profit for the year after taxation</b>	17,168	11,662
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>17,168</u>	<u>11,662</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- Rupees in '000 -----					
Net assets at the beginning of the year	170,323	42,214	212,537	650,168	42,005	692,173
Issuance of 8,901,994 units (2021: 37,392,175 units)						
- Capital value (at ex - net asset value per unit)	92,573	-	92,573	386,972	-	386,972
- Element of income	4,222	-	4,222	6,028	-	6,028
Total proceeds on issuance of units	96,795		96,795	393,000	-	393,000
Redemption of 16,051,253 units (2021: 83,837,272 units)						
- Capital value (at ex - net asset value per unit)	(166,919)	-	(166,919)	(867,632)	-	(867,632)
- Element of loss	(3,239)	(5,076)	(8,315)	(4,362)	(2,950)	(7,312)
Total payments on redemption of units	(170,158)	(5,076)	(175,234)	(871,994)	(2,950)	(874,944)
Total comprehensive income for the year	-	17,168	17,168	-	11,662	11,662
Cash distribution during the year ended June 30, 2021						
- @ Re 0.4972 per unit (Date of declaration: June 23, 2021)	-	-	-	(851)	(8,503)	(9,354)
Cash distribution for the year ended June 30, 2022						
- @ Re 1.0622 per unit (Date of declaration: June 28, 2022)	(976)	(11,966)	(12,942)	-	-	-
	(976)	(11,966)	(12,942)	(851)	(8,503)	(9,354)
<b>Net assets at end of the year</b>	<b>95,984</b>	<b>42,340</b>	<b>138,324</b>	<b>170,323</b>	<b>42,214</b>	<b>212,537</b>
Undistributed income brought forward						
- Realised income		42,641			21,754	
- Unrealised income / (loss)		(427)			20,251	
		42,214			42,005	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		12,092			8,712	
		12,092			8,712	
Distribution during the year		(11,966)			(8,503)	
<b>Undistributed income carried forward</b>		<b>42,340</b>			<b>42,214</b>	
<b>Undistributed income carried forward</b>						
- Realised income		42,794			42,641	
- Unrealised (loss) / income		(454)			(427)	
		42,340			42,214	
			<b>(Rupees)</b>			<b>(Rupees)</b>
Net assets value per unit at the beginning of the year			<u>10.3991</u>			<u>10.3490</u>
Net assets value per unit at the end of the year			<u>10.4090</u>			<u>10.3991</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
Note	------(Rupees in '000)-----	
<b>CASH FLOWS FOR THE YEAR FROM OPERATING ACTIVITIES</b>		
Net profit for the year after taxation	17,168	11,662
<b>Adjustments:</b>		
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	454	427
Reversal of provision for Sindh Workers' Welfare Fund	(4,681)	-
	12,941	12,089
<b>(Increase) / decrease in assets</b>		
Investments	(16,909)	445,048
Profit receivable	2,361	10,705
Deposits, prepayments and other receivables	69	89
	(14,479)	455,842
<b>(Decrease) / increase in liabilities</b>		
Payable to NBP Fund Management Limited - the Management Company	(12)	(1,262)
Payable to Central Depository Company of Pakistan Limited - the Trustee	(7)	(81)
Payable to the Securities and Exchange Commission of Pakistan	(24)	(103)
Payable against purchase of investments	(108,837)	56,199
Accrued expenses and other liabilities	378	1,311
	(108,502)	56,064
<b>Net cash (used in) / generated from operating activities</b>	(110,040)	523,995
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units - net of refund of element	95,819	392,494
Net payments against redemption of units	(178,234)	(872,688)
Distributions paid	(11,966)	(8,503)
<b>Net cash used in financing activities</b>	(94,381)	(488,697)
<b>Net (decrease) / increase in cash and cash equivalents</b>	(204,421)	35,298
Cash and cash equivalents at the beginning of the year	250,253	214,955
<b>Cash and cash equivalents at the end of the year</b>	45,832	250,253
	18	

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 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, 2022 (2021: 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 29, 2022 (2021: "AA-(f)" dated March 29, 2021).

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 Trust Act.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan 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
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), 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.

**2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year:**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations, and therefore have not been detailed in these financial statements.

**2.3 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective:**

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

**2.4 Critical accounting estimates and judgments**

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5) and provision for Federal Excise Duty (note 8.3).

**2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

**2.6 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

**3.1 Cash and cash equivalents**

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

**3.2 Financial assets****3.2.1 Initial recognition and measurement**

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognized at fair value and transaction costs are recognized in the Income Statement.

### 3.2.2 Classification and subsequent measurement

#### Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

### 3.2.3 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

### 3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognized on debt securities can be reversed through the Income Statement.

### 3.2.5 Regular way contracts

All regular way purchases and sales of financial assets are recognized on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

### 3.2.6 Derecognition

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

### 3.3 Financial liabilities

Financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

### 3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 3.5 Provisions

Provisions are recognized when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### 3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

### 3.8 Distributions to unit holders

Distributions to the unit holders are recognized upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognized in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### 3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the year in which these arise.

- Income from government securities is recognized on an accrual basis using effective interest method.
- Profit on bank balances is recognized on an accrual basis using effective interest rate method.

### 3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and the Trustee and annual fee of the SECP are recognized in the Income Statement on an accrual basis.

### 3.12 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed as cash dividend to the unit holders in cash.

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.

### 3.13 Earnings / (loss) per unit

Earnings per unit is calculated by dividing the net income for the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earnings per unit is not practicable as disclosed in note 19.

### 3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognized in the Income Statement.

4	BANK BALANCES	Note	2022	2021
			Rupees in '000	
	Balances with banks in:			
	Current accounts	4.1	-	431
	Savings accounts		45,832	140,974
			<u>45,832</u>	<u>141,405</u>

4.1 These balances include Rs 0.089 million (2021: Rs 0.091 million), Rs 0.556 million (2021: Rs 0.781 million), Rs 0.084 million (2021: Rs. 0.080 million) and Rs 0.050 million (2021: Rs.0.046 million) maintained with National Bank of Pakistan, BankIslami Pakistan Limited, Telenor Microfinance Bank Limited and Khushhali Bank Limited (related parties) that carries profit at the rate of 12.25% (2021: 5%) per annum, 15.25% (2021: 6.25%) per annum, 12.25% (2021: 5.5%) per annum and 17% (2021: 8.5%) per annum respectively. Other savings accounts of the Fund carry profit at the rate ranging from 6.5% to 18.28% per annum (2021: 7.5% to 9% per annum).

5	INVESTMENTS	Note	2022	2021
			Rupees in '000	
	<b>Financial assets 'at fair value through profit or loss'</b>			
	Market Treasury Bills	5.1	48,669	108,848
	Pakistan Investment Bonds	5.2	49,600	81,814
			<u>98,269</u>	<u>190,662</u>

## 5.1 Market Treasury Bills

Issue date	Tenor in months	Face value				Market value as at June 30, 2022	Market value as a percentage of	
		As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022		net assets of the Fund	total investments of the Fund
		(Rupees in 000)				(%)		
June 3, 2021	3	110,000	-	110,000	-	-	-	-
May 20, 2021	3	-	15,000	15,000	-	-	-	-
June 3, 2021	6	-	10,000	10,000	-	-	-	-
July 2, 2021	3	-	28,000	28,000	-	-	-	-
July 15, 2021	3	-	14,000	14,000	-	-	-	-
August 12, 2021	3	-	34,000	34,000	-	-	-	-
August 12, 2021	6	-	45,000	45,000	-	-	-	-
August 26, 2021	6	-	100,000	100,000	-	-	-	-
October 7, 2021	3	-	1,000	1,000	-	-	-	-
October 21, 2021	3	-	61,000	61,000	-	-	-	-
December 16, 2021	3	-	62,000	62,000	-	-	-	-
February 10, 2022	3	-	15,000	15,000	-	-	-	-
December 2, 2021	6	-	15,000	15,000	-	-	-	-
April 7, 2022	3	-	15,000	15,000	-	-	-	-
February 24, 2022	3	-	15,000	15,000	-	-	-	-
March 10, 2022	6	-	50,000	-	50,000	48,669	35.18%	49.53%
<b>Total</b>		<b>110,000</b>	<b>480,000</b>	<b>540,000</b>	<b>50,000</b>	<b>48,669</b>		
<b>Carrying value as at June 2022</b>						<b>48,946</b>		
<b>Market value as at June 30, 2021</b>						<b>108,848</b>		
<b>Carrying value as at June 30, 2021</b>						<b>108,836</b>		

5.1.1 These carry rate of return of 14.47% (2021: 7.05% to 7.31%) per annum.

## 5.2 Pakistan Investment Bonds

Issue date	Tenor in years	Face value				Market value as at June 30, 2022	Market value as a percentage of	
		As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022		net assets of the Fund	total investments of the Fund
		(Rupees in 000)				(%)		
July 19, 2012	10	34,000	-	34,000	-	-	-	-
September 19, 2019	3	45,900	-	45,900	-	-	-	-
October 22, 2020	3	-	50,000	-	50,000	49,600	35.86%	50.47%
<b>Total</b>		<b>79,900</b>	<b>50,000</b>	<b>79,900</b>	<b>50,000</b>	<b>49,600</b>		
<b>Carrying value as at June 30, 2022</b>						<b>49,777</b>		
<b>Market value as at June 30, 2021</b>						<b>81,814</b>		
<b>Carrying value as at June 30, 2021</b>						<b>82,253</b>		

5.2.1 These carry rate of return of 13.19% (2021: 9% to 12%) per annum.

5.3	Net unrealized diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'	Note	2022 ----- (Rupees in 000) -----	2021 -----
	Market value of investments	5.1 & 5.2	98,269	190,662
	Less: carrying value of investments	5.1 & 5.2	(98,723)	(191,089)
			<u>(454)</u>	<u>(427)</u>

## 6 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Security deposit with Central Depository Company of Pakistan Limited		102	102
	Prepaid annual rating fee		89	202
	Advance tax	6.1	639	639
	Other receivables		44	-
			<u>874</u>	<u>943</u>

- 6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on debt to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on profit on debt securities amounts to Rs 0.639 million (2021: 0.639 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of SHC. Pending resolution of the matter, the amount of withholding tax so deducted has been shown as other receivables as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7	PROFIT RECEIVABLE	Note	2022 ----- Rupees in '000 -----	2021 -----
	Profit receivable on bank balances		198	736
	Profit receivable on Pakistan Investment Bonds		1,255	3,078
			<u>1,453</u>	<u>3,814</u>

## 8 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY

	Management fee payable	8.1	24	34
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	3	5
	Federal Excise Duty on remuneration of the Management Company	8.3	1,865	1,864
	Federal Excise Duty on sales load	8.3	371	371
	Sales and transfer load payable		2,848	2,724
	Sindh Sales Tax on sales load payable		390	374
	Reimbursement of allocated expense payable	8.4	47	70
	Reimbursement of selling and marketing expenses payable	8.5	262	385
	ADC charges payable including Sindh sales tax		17	12
	Other payables		45	45
			<u>5,872</u>	<u>5,884</u>

- 8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration under the following rates:

2022	2021
<b>Rate applicable for the year ended June 30, 2022</b>	<b>Rate applicable for the year ended June 30, 2021</b>
1.5% on net income, subject to floor and capping of 0.2% and 1% per annum of the average annual net assets.	1.5% on net income, subject to floor and capping of 0.2% and 1% per annum of the average annual net assets.

The remuneration is payable to the Management Company in arrears.

- 8.2 During the year, an amount of Rs 0.046 million (2021: Rs 0.085 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2021: 13%).
- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 2.24 million (2021: Rs 2.24 million) is being retained in these financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at June 30, 2022 would have been higher by Re 0.1683 per unit (2021: Re 0.1094 per unit).

- 8.4 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly, the Management Company based on its discretion has charged accounting and operational charges as per the following rates:

2022	2021	
<b>Rate applicable for the year ended June 30, 2022</b>	<b>Rate applicable from October 27, 2020 to June 30, 2021</b>	<b>Rate applicable from July 1, 2020 to October 26, 2020</b>
0.125% of average annual net assets	0.125% of average annual net assets	0.1% of average annual net assets

- 8.5 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.



The SECP through its circular 11 dated July 5, 2019 had revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum had been lifted and the asset management company was required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years had also been removed in the revised conditions.

Accordingly, the Management Company has charged such expenses at the rate of 0.70% (2021: 0.70%) of the average annual net assets of the Fund during the year. This has also been approved by the Board of Directors of the Management Company.

	2022	2021
<b>9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE</b>	Note	Rupees in '000
Trustee fee payable	9.1	6      12
Sindh Sales Tax payable on Trustee fee	9.2	1      2
		<u>7</u> <u>14</u>

**9.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.065% from June 1, 2021 to October 2, 2021 and 0.055% from October 3, 2021 to June 30, 2022 (2021: 0.065%) per annum of net assets. Accordingly the Fund has charged trustee fee at the above mentioned rate during the year.

**9.2** During the year, an amount of Rs 0.013 million (2021: 0.025 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2021: 13%).

	2022	2021
<b>10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	Note	Rupees in '000
Annual fee payable	10.1	34      58

**10.1** Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

	2022	2021
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	Note	Rupees in '000
Provision against Sindh Workers' Welfare Fund	11.1	-      4,681
Auditors' remuneration		281      261
Bank charges payable		49      82
Printing charges payable		10      74
Withholding tax payable		1,692      1,237
Capital gains tax payable		-      48
Legal and professional charges payable		159      111
		<u>2,191</u> <u>6,494</u>

**11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh in May 2015 as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the

SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

During the current year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognized in the financial statements of the Fund.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

	2022	2021
	----- Number -----	
<b>13 NUMBER OF UNITS IN ISSUE</b>		
Total units in issue at the beginning of the year	20,438,133	66,883,230
Add: units issued during the year	8,901,994	37,392,175
Less: units redeemed during the year	16,051,253	83,837,272
Total units in issue at the end of the year	<u>13,288,874</u>	<u>20,438,133</u>

## 14 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

	2022	2021
	-----Rupees in '000-----	
<b>15 AUDITORS' REMUNERATION</b>		
Annual audit fee	235	220
Half yearly review	95	88
Other certification	110	100
Out of pocket expenses	79	28
	<u>519</u>	<u>436</u>

## 16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2022 is 1.90% (2021: 1.62%) which includes 0.05% (2021: 0.14%) representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. The TER excluding government levies is 1.85% (2021: 1.48%) which is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorized as an income scheme.

## 17 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 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, 2022 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.

		2022	2021
	Note	-----Rupees in '000-----	
<b>18 CASH AND CASH EQUIVALENTS</b>			
Bank balances	4	45,832	141,405
Government securities			
- Market Treasury Bills (original maturity of 3 months or less)	5.1	-	108,848
		<u>45,832</u>	<u>250,253</u>

## 19 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

**20.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP), Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, 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, directors and their close family members and key management personnel of the Management Company.

**20.2** Transactions with connected persons / related parties are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

**20.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

**20.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

**20.5** Reimbursement of allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

**20.6** Details of the transactions with related parties / connected persons during the year are as follows:

		2022	2021
		-----Rupees in '000-----	
<b>NBP Fund Management Limited - the Management Company</b>			
Management fee		355	655
Sindh Sales Tax on remuneration to Management Company		46	85
Reimbursement of selling and marketing expenses		1,208	2,041
Reimbursement of allocated expenses		216	335
Sales and transfer load charged		124	417
Sindh Sales Tax on sales and transfer load		16	54
ADC charges including Sindh sales tax		8	12
<b>National Bank of Pakistan - parent company</b>			
Purchase of Market Treasury Bills		31,607	-
Profit on bank deposits		9	48

	2022	2021
	-----Rupees in '000-----	
<b>Employees of the Management Company</b>		
Units issued: 48,858 units (2021: 429,990 units)	527	4,485
Units redeemed: 81,260 units (2021: 536,187 units)	903	5,571
Dividend reinvestment units: 103 units (2021: 999 units)	1	10
<b>NBP Financial Sector Income Fund</b>		
Sell of Pakistan Investment Bonds	35,787	-
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration to the Trustee	100	189
Sindh Sales Tax on remuneration to the Trustee	13	25
<b>Pakistan Stock Exchange Limited **</b>		
Listing fee paid	-	25
<b>BankIslami Pakistan Limited - common directorship</b>		
Profit on bank balances	34	48
<b>Telenor Microfinance Bank Limited - common directorship *</b>		
Profit on bank balances	-	12
<b>Khushhali Bank Limited - common directorship</b>		
Profit on bank balances	11	102
<b>Franey N. Irani - unit holder with 10% or more holding</b>		
Dividend reinvestment: 199,394 units (2021: 89,796 units)	2,074	933
<b>ASML Employees Provident Fund Trust - Unit Holder With 10% or more holding *</b>		
Units issued: 439,804 units (2021: Nil units)	4,943	-
Dividend reinvestment: 213,411 units (2021: Nil units)	1,906	-
<b>20.7 Amounts outstanding as at year end are as follows:</b>		
<b>NBP Fund Management Limited - the Management Company</b>		
Management fee payable	24	34
Sindh Sales Tax payable on remuneration of the Management Company	3	5
Federal Excise Duty on remuneration of the Management Company	1,865	1,864
Federal Excise Duty on sales load	371	371
Sales and transfer load payable	2,848	2,724
Sindh Sales Tax on sales load payable	390	374
Reimbursement of allocated expense payable	47	70
Reimbursement of selling and marketing expenses payable	262	385
ADC charges payable including Sindh sales tax	17	12
Other payables	45	45
<b>Employees of the Management Company</b>		
Units held: 12,703 units (2021: 49,762 units)	132	517

	2022	2021
	-----Rupees in '000-----	
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	6	12
Sindh Sales Tax payable on Trustee fee	1	2
Security deposit	102	102
<b>National Bank of Pakistan - parent company</b>		
Bank balance in savings accounts	89	90
Profit receivable	1	1
<b>Bank Islami Pakistan Limited</b>		
Bank balance in savings accounts	556	781
Profit receivable	-	1
<b>Telenor Microfinance Bank Limited - common directorship</b>		
Bank balance in savings account	84	80
Profit receivable	1	21
<b>Khushhali Bank Limited - common directorship</b>		
Bank balance in savings account	50	46
Profit receivable	2	12
<b>Franey N. Irani - unit holder with 10% or more holding</b>		
Units held: 2,496,836 units (2021: 2,297,442 units)	25,990	23,891
<b>ASML EMPLOYEES PROVIDENT FUND TRUST - unit holder with 10% or more holding *</b>		
Units held: 2,303,418 units (2021: Nil units)	23,976	-

## 21 FINANCIAL INSTRUMENTS BY CATEGORY

	2022		
	At amortised cost	At fair value through profit or loss	Total
	-----Rupees in '000-----		
<b>Financial assets</b>			
Bank balances	45,832	-	45,832
Investments	-	98,269	98,269
Profit receivable	1,453	-	1,453
Deposits and other receivables	146	-	146
	<u>47,431</u>	<u>98,269</u>	<u>145,700</u>
<b>Financial liabilities</b>			
Payable to NBP Fund Management Limited - the Management Company	5,872	-	5,872
Payable to Central Depository Company of Pakistan Limited - the Trustee	7	-	7
Payable against purchase of investments	-	-	-
Payable against redemption of units	-	-	-
Accrued expenses and other liabilities	499	-	499
	<u>6,378</u>	<u>-</u>	<u>6,378</u>

2021		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		
<b>Financial assets</b>		
Bank balances	141,405	-
Investments	-	190,662
Profit receivable	3,814	-
Deposits and other receivables	102	-
145,321	190,662	335,983
<b>Financial liabilities</b>		
Payable to NBP Fund Management Limited - the Management Company	5,884	-
Payable to Central Depository Company of Pakistan Limited - the Trustee	14	-
Payable against purchase of investments	108,837	-
Payable against redemption of units	3,000	-
Accrued expenses and other liabilities	528	-
118,263	-	118,263

## 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

### 22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk, and price risk.

#### (i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2022, the Fund is exposed to such risk on its balances held with banks, investment in Pakistan Investment Bonds and Market Treasury Bills. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

## a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 0.46 million (2021: Rs 1.41 million).

## b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds government securities which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.98 million (2021: Rs. 1.91 million).

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

----- 2022 -----					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

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

### Financial assets

Bank balances	6.5% - 18.28%	45,832	-	-	-	45,832
Investments	7.2% - 14.47%	-	48,669	49,600	-	98,269
Profit receivable		-	-	-	1,453	1,453
Deposits and other receivables		-	-	-	146	146
		45,832	48,669	49,600	1,599	145,700

### Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	5,872	5,872
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	7	7
Payable against purchase of investments		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	499	499
		-	-	-	6,378	6,378

### On-balance sheet gap (a)

	45,832	48,669	49,600	(4,779)	139,322
--	--------	--------	--------	---------	---------

### Off-balance sheet financial instruments

	-	-	-	-	-
--	---	---	---	---	---

### Off-balance sheet gap (b)

	-	-	-	-	-
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### Total profit rate sensitivity gap (a+b)

	45,832	48,669	49,600		
--	--------	--------	--------	--	--

### Cumulative profit rate sensitivity gap

	45,832	48,669	98,269		
--	--------	--------	--------	--	--

----- 2021 -----					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

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

## Financial assets

Bank balances	5% - 9%	140,974	-	-	431	141,405
Investments	7.05% - 12%	144,243	46,419	-	-	190,662
Profit receivable		-	-	-	3,814	3,814
Deposits and other receivables		-	-	-	102	102
		285,217	46,419	-	4,347	335,983

## Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	5,884	5,884
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	14	14
Payable against purchase of investments		-	-	-	108,837	108,837
Payable against redemption of units		-	-	-	3,000	3,000
Accrued expenses and other liabilities		-	-	-	528	528
		-	-	-	118,263	118,263

## On-balance sheet gap (a)

	285,217	46,419	-	(113,916)	217,720
--	---------	--------	---	-----------	---------

## Off-balance sheet financial instruments

	-	-	-	-	-
--	---	---	---	---	---

## Off-balance sheet gap (b)

	-	-	-	-	-
--	---	---	---	---	---

## Total profit rate sensitivity gap (a+b)

	285,217	46,419	-		
--	---------	--------	---	--	--

## Cumulative profit rate sensitivity gap

	285,217	331,636	331,636		
--	---------	---------	---------	--	--

## (ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

## (iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market respectively.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2022.

## 22.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities



when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the liabilities that are payable on demand have been included in the maturity grouping of one month:

----- 2022 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

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

#### Financial liabilities

Payable to NBP Fund Management Limited - the Management Company  
Payable to Central Depository Company of Pakistan Limited - the Trustee  
Payable against purchase of investments  
Payable against redemption of units  
Accrued expenses and other liabilities

5,872	-	-	-	-	-	5,872
7	-	-	-	-	-	7
-	-	-	-	-	-	-
-	-	-	-	-	-	-
218	281	-	-	-	-	499
6,097	281	-	-	-	-	6,378

----- 2021 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

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

#### Financial liabilities

Payable to NBP Fund Management Limited - the Management Company  
Payable to Central Depository Company of Pakistan Limited - the Trustee  
Payable against purchase of investments  
Payable against redemption of units  
Accrued expenses and other liabilities

5,884	-	-	-	-	-	5,884
14	-	-	-	-	-	14
108,837	-	-	-	-	-	108,837
3,000	-	-	-	-	-	3,000
267	261	-	-	-	-	528
118,002	261	-	-	-	-	118,263

## 22.3 Credit risk

22.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees in '000 -----				
Bank balances	45,832	45,832	141,405	141,405
Investments	98,269	-	190,662	-
Profit receivable	1,453	198	3,814	736
Deposits and other receivables	146	146	102	102
	<u>145,700</u>	<u>46,176</u>	<u>335,983</u>	<u>142,243</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets. Investment in government securities and its accrued profit, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

## 22.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of balances with banks and investments are as follows:

Rating	% of financial assets exposed to credit risk	
	2022	2021
AAA	2%	50%
AA+	38%	11%
AA-	10%	2%
A+	2%	19%
A	48%	17%
BBB-	0%	0%
	<u>100%</u>	<u>99%</u>

## 23 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022 and June 30, 2021, the Fund held the following financial instruments measured at fair values:

----- As at June 30, 2022 -----			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

## ASSETS

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

Market Treasury Bills	-	48,669	-	48,669
Pakistan Investment Bonds	-	49,600	-	49,600
	-	98,269	-	98,269

## ASSETS

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

----- As at June 30, 2021 -----				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000 -----				
Market Treasury Bills	-	108,848	-	108,848
Pakistan Investment Bonds	-	81,814	-	81,814
	-	190,662	-	190,662

## 24 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' Fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 22, the Fund endeavors to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

## 25 UNIT HOLDING PATTERN OF THE FUND

Category	----- 2022 -----			----- 2021 -----		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	297	85,420	61.75	326	149,839	70.50
Insurance companies	-	-	-	-	-	-
Retirement funds	6	35,537	25.69	9	39,796	18.72
Others	10	17,367	12.56	11	22,902	10.78
	313	138,324	100	346	212,537	100

## 26 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

2022		2021	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Continental Management (Private) Limited	96.83%	Continental Management (Private) Limited	48.84%
Paramount Capital (Private) Limited	3.17%	Bright Capital (Private) Limited	37.95%
		Icon Capital Management (Private) Limited	13.20%

26.1 The Fund has traded with only the above mentioned 2 brokers / dealers (2021: three brokers / dealers) during the year ended June 30, 2022.

## 27 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	34
Mr. Salman Ahmed (note 27.1)	Head of Fixed Income	CFA	17
Mr. Asim Wahab Khan	Chief Investment Officer	CFA	16
Mr. Hassan Raza	Head of Research	ACCA / BSC / CFA	11
Mr. Usaman Bin Razi	Senior Manager Fixed Income	BE / MBA	18

27.1 The name of the Fund Manager is Salman Ahmed. Other funds being managed by the Fund Manager are as follows:

- NBP Government Securities Liquid Fund
- NBP Money Market Fund
- NBP Government Securities Savings Fund
- NBP Mahana Amdani Fund
- NBP Financial Sector Income Fund
- NBP Income Opportunity Fund
- NBP Savings Fund
- NBP Islamic Daily Dividend Fund
- NBP Riba Free Savings Fund
- NBP Islamic Mahana Amdani Fund
- NBP Islamic Savings Fund
- NBP Islamic Income Fund
- NBP Islamic Money Market Fund

## 28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 81st, 82nd, 83rd, 84th, and 85th Board Meetings were held on July 07, 2021, September 16, 2021, October 29, 2021, February 23, 2022 and April 27, 2022, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of directors	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	5	5	-	-
Mehnaz Salar	5	5	-	-
Ali Saigol	5	5	-	-
Imran Zaffar	5	4	1	85th
Khalid Mansoor	5	4	1	82nd
Saad Amanullah Khan	5	5	-	-
Humayun Bashir	5	5	-	-
Dr. Amjad Waheed	5	5	-	-
Syed Hasan Irtiza Kazmi (Note 28.1)	-	-	-	-
Tauqeer Mazhar (Note 28.2)	4	4	-	-

28.1 Syed Hasan Irtiza Kazmi resigned as director on June 25, 2021.

28.2 Mr. Tauqeer Mazhar was appointed as Director on the Board with effect from August 04, 2021

## 29 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

## 30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 27, 2022.

## 31 GENERAL

31.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## PERFORMANCE TABLE

Particulars	For the Period ended June 30, 2022	For the Period ended June 30, 2021	For the Period ended June 30, 2020	For the Period ended June 30, 2019	For the Period ended June 30, 2018	For the Period ended June 30, 2017
Net assets (Rs. '000')	138,324	212,537	692,173	1,092,297	143,889	107,761
Net Income / (loss) (Rs. '000')	17,168	11,662	133,433	57,364	7,384	5,983
Net Asset Value per units (Rs.)	10.4090	10.3991	10.3490	10.3196	10.8208	10.3042
Offer price per unit	10.5266	10.5166	10.4659	10.4362	10.9431	10.4206
Redemption price per unit	10.4090	10.3991	10.3490	10.3196	10.8208	10.3042
Ex - Highest offer price per unit (Rs.)	10.5266	10.5166	10.4976	10.4362		10.4230
Ex - Lowest offer price per unit (Rs.)	9.5439	9.8529	8.5399	9.6886		9.8660
Ex - Highest redemption price per unit (Rs.)	10.409	10.3991	10.3803	10.3196		10.3065
Ex - Lowest redemption price per unit (Rs.)	9.4372	9.7726	8.5399	9.5770		9.7451
Opening Nav of Fiscal Year	9.4353	9.8763	8.5372	9.5704		9.7438
Total return of the fund	10.32%	5.29%	21.16%	7.83%		5.75%
Capital growth	0.10%	0.51%	1.78%	0.16%		-0.15%
Income distribution as a % of e x nav	10.21%	4.79%	19.38%	7.67%	5.01%	5.90%
Income distribution as a % of par value	10.62%	4.97%	20.00%	7.91%	5.16%	5.75%
Interim distribution per unit			2.0001			0.5748
Final distribution per unit	1.0622	0.4972		0.7905	0.5162	-
<b>Distribution dates</b>						
Interim			29-Oct-19			21-Jun-17
Interim			28-Nov-19			
Interim			27-Dec-19			
Interim			28-Jan-20			
Interim			27-Feb-20			
Interim			27-Mar-20			
Interim			29-Apr-20			
Interim			29-May-20			
Final	28-Jun-22	23-Jun-21		26-Jun-19	4-Jul-18	-
Average annual return (launch date 10-07-14)						
(Since inception to June 30, 2022)	9.39%					
(Since inception to June 30, 2021)		9.26%				
(Since inception to June 30, 2020)			9.93%			
(Since inception to June 30, 2019)				7.80%		
(Since inception to June 30, 2017)						8.74%
(Since inception to June 30, 2016)						
(Since inception to June 30, 2015)						
Portfolio Composition (Please see Fund Manager Report)						
Weighted average portfolio duration	182 Days	174 Days	662 Days	146 Days	13 Days	5 Days

*"Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up."*

## Head Office

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