



Managing Your Savings

NBP Fund Management Limited



NBP GOVERNMENT SECURITIES LIQUID 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."

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. 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

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

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Humayun Bashir
Director



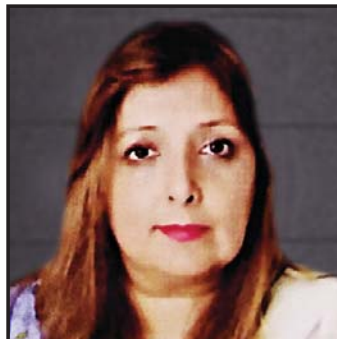
Mr. Tauqeer Mazhar
Director



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 Fourteenth Annual Report of **NBP Government Securities Liquid Fund** (NGSLF) for the year ended June 30, 2022.

Fund's Performance

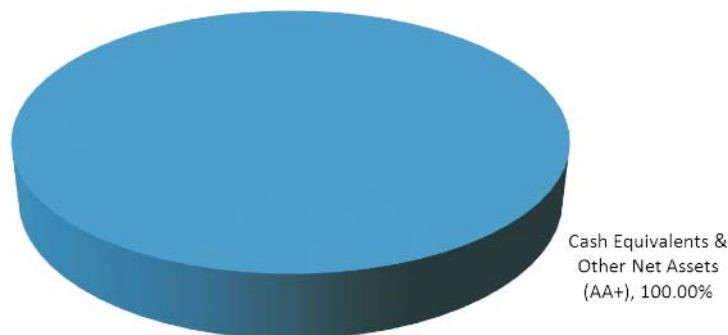
During FY22, State Bank of Pakistan (SBP) held eight (8) Monetary Policy meetings and increased the discount rate from 8% to 14.75% - to counter inflationary pressures, ensure economic sustainability and safeguard external & price stability; owing to significant domestic political noise and global uncertainty. 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.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risks are exceptionally low due a minimum 70% investment in Government securities (T-Bill) with a maximum maturity of the overall portfolio at 90 days. The Fund is allowed to invest in AA & above rated Banks/DFIs with maximum maturity of six months.

The size of NBP Government Securities Liquid Fund has decreased from Rs. 1,439 million to Rs. 1,219 million during the period, i.e., a fall of 15%. During the said period, the unit price of the Fund has increased from Rs. 9.1721 (Ex-Div) on June 30, 2021 to Rs. 10.2274 on June 30, 2022 thus posting a return of 11.5% as compared to its Benchmark return of 9.3% 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. 129.34 million during the year. After deducting total expenses of Rs. 11.32 million, the net income is Rs. 118.02 million. The asset allocation of NGSLF as on June 30, 2022 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 10.83% of the opening ex-NAV (11.06% 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)

On August 13, 2021, provisioning against Sindh Workers' Welfare Fund by NBP Government Securities Liquid Fund amounting to Rs. 26.18 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 Liquid Fund by 1.95% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Auditors

The present auditors Messrs Yousuf Adil Chartered Accountants, has completed their five years tenure in the capacity of Auditor of the Fund. As per the requirement of Regulation 38(1) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the replacement would be required. The Board has approved the appointment of Messrs A. F. Ferguson & Co. Chartered Accountants, offer for 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 24 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 23 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:

Category	Names
Independent Directors	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	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 لیکویڈ فنڈ (NGSLF) کی چودھویں سالانہ رپورٹ برائے تختہ سال 30 جون 2022ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

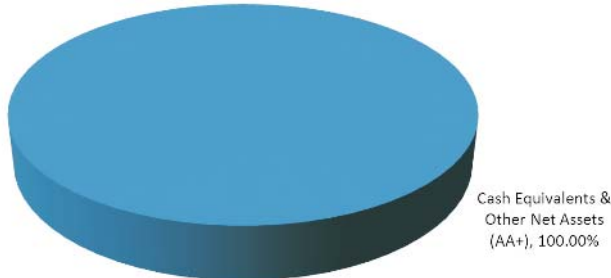
مالی سال 22 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے آٹھ (8) مانیٹری پالیسی اجلاس منعقد کئے اور اہم ملکی سیاسی شورو عالمی غیر یقینی صورتحال کی وجہ سے افراط زر کے دباؤ کا مقابلہ کرنے، معاشی استحکام کو یقینی بنانے اور بیرونی اور قیوتوں کے استحکام کی حفاظت کے لیے؛ ڈسکاؤنٹ کی شرح کو 8% سے بڑھا کر 14.75% کر دیا۔ دوسری ششماہی کے دوران، روس-یوکرین تنازعہ اور ایشیا کی بڑھتی ہوئی قیوتوں 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 چیلنجنگ 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 قیوتوں میں تیزی سے اضافہ، (ii) روپیہ پر مسلسل دباؤ، (iii) یوٹیلٹی ٹیرف میں اضافہ، اور (iv) ایندھن کی سبسڈی کا ختم ہونا۔ CPI کی پیکائش 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 ٹیلیمیاں 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 770، 762 اور 749 بیسز پوائنٹس کا اضافہ ہوا۔

NGSLF کو PACRA کی طرف سے دی گئی سٹیٹیلٹی ریٹنگ "AAA(f)" ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈیٹی پروفائل کی عکاسی کرتی ہے۔ T-Bills اس فنڈ کی بڑی ایسیٹ کلاس ہے۔ مجموعی پورٹ فولیو کی زیادہ سے زیادہ 90 دن کی مہجورٹی کے ساتھ گورنمنٹ سیکورٹیز (T-Bills) میں کم از کم 70% سرمایہ کاری کے ساتھ فنڈ کے کریڈٹ، لیکویڈیٹی اور انٹرسٹ ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی مہجورٹی کے ساتھ AA یا زائد ریٹنگ والے لینکوں/DFIs میں انویسٹ کرنے کی اجازت ہے۔

موجودہ مدت کے دوران، NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا ساؤنڈ 1,439 ملین روپے سے کم ہو کر 1,219 ملین روپے ہو گیا یعنی 15% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 9.1721 روپے (Ex-Div) سے بڑھ کر 30 جون 2022 کو 10.2247 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 9.3% کے مقابلے میں 11.5% کا منافع درج کیا۔ فنڈ کی ریکارڈنگ مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے سال کے دوران 129.34 ملین روپے کی مجموعی آمدنی کمائی۔ 11.32 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 118.02 ملین روپے ہے۔ NGSLF کی ایسٹ ایلوکیشن برطانیہ 30 جون 2022ء حسب ذیل ہے۔



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2022ء سال کے اختتام پر اوپننگ ex-NAV کا 10.38% (بنیادی قیمت کا 11.06%) عبوری انقد 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 کپٹل گین منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر آکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

سندھ درکرز ویلفیئر فنڈ (SWWF)

مورخہ 12 اگست 2021 کو سندھ ریونیو بورڈ کی جانب سے ایک وضاحتی مراسلہ نمبر SRB/TP/70/2013/8772 میوچل فنڈز ایسوسی ایشن آف پاکستان کو بھیجا گیا جسکی رو سے NBP گورنمنٹ سیکورٹیز لیکوڈ فنڈ میں ریکارڈ کی گئی 26.18 ملین روپے درکرز ویلفیئر فنڈ کی پروویڈنگ کو 13 اگست 2021 ریورس کر دیا گیا۔ پروویژن کی اس ریورسل کے باعث NBP گورنمنٹ سیکورٹیز لیکوڈ فنڈ کی NAV میں 1.95% کا غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جسکا مستقبل میں دوبارہ ہونے کا امکان نہیں ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس، نے فنڈ کے آڈیٹ کی حیثیت سے اپنی پانچ سالہ مدت مکمل کر لی ہے۔ غیر بیکنگ مالیاتی کمپنیاں اور مطلع شدہ اداروں کے ضوابط، 2008 کے ریگولیشن 38(1) کے مطابق، متبادل کی ضرورت ہوگی۔ بورڈ نے میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کی تقرری کی منظوری دے دی ہے، جو 30 جون 2023 کو ختم ہونے والے سال کے لیے تقرری کی پیشکش ہے۔

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

- 1. مینجمنٹ 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 مصفاہ 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۔ شمار پاتی 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 مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 24 میں ظاہر کی گئی ہے۔
- 11. یونٹ ہولڈنگ کا تفصیلی پیرن مالیاتی گوشواروں کے نوٹ 23 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 جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2022 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں



نام	کینگری
<ul style="list-style-type: none"> •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
<ul style="list-style-type: none"> •1 شیخ محمد عبدالواحد سیٹھی (چیرمین) •2 جناب توقیر مظہر •3 محترمہ مہناز سالار •4 جناب علی سیگل •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 مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنانس مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 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 Liquid 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 Liquid Fund

NBP Government Securities Liquid Fund (NGSLF) Fund is an Open-End Money Market Scheme.

Investment Objective of the Fund

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

Benchmark

70% 3-Month PKRV & 30% average 3-Month deposit rates of three AA rated banks as selected by MUFAP.

Fund Performance Review

This is the 14th Annual report since the launch of the Fund on May 15, 2009. The Fund size decreased by 15% during FY22 and stands at Rs. 1,219 million as of June 30, 2022. The Fund's return since inception is 8.9% p.a. versus the benchmark return of 8.6% p.a. The Fund's return for FY22 is 11.5% against the benchmark return of 9.3%. The return of the Fund is net of management fee and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects the exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity, and interest rate risks are exceptionally low due to a minimum 70% investment in Government securities (T-Bill) with a maximum maturity of the overall portfolio at 90 days. The Fund is allowed to invest in AA & above rated Banks/DFIs with a maximum maturity of six months.

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.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-22	30-Jun-21
T-Bills	-	99.69%
Cash equivalents & other net assets	100%	0.31%
Total	100%	100%

T-Bills yields during the year are shown in below graph:



Distribution for the Financial Year 2022

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jul-21	0.489%	10.2636	10.2147
Aug-21	2.519%	10.4666	10.2147
Sep-21	0.611%	10.2758	10.2147
Oct-21	0.514%	10.2661	10.2147
Nov-21	0.541%	10.2688	10.2147
Dec-21	0.782%	10.2929	10.2147
Jan-22	0.821%	10.2968	10.2147
Feb-22	0.728%	10.2875	10.2147
Mar-22	0.886%	10.3033	10.2147
Apr-22	0.889%	10.3036	10.2147
May-22	1.014%	10.3161	10.2147
Jun-22	1.269%	10.3416	10.2147

Unit Holding Pattern of NBP Government Securities Liquid Fund as on June 30, 2022:

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	275
1-1000	612
1001-5000	171
5001-10000	44
10001-50000	106
50001-100000	37
100001-500000	84
500001-1000000	16
1000001-5000000	13
5000001-10000000	2
10000001-100000000	2
Total	1,362

During the period under question:

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

Sindh Workers' Welfare Fund (SWWF)

On August 13, 2021, provisioning against Sindh Workers' Welfare Fund by NBP Government Securities Liquid Fund amounting to Rs. 26.18 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 Liquid Fund by 1.95% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

INDEPENDENT AUDITORS' REPORT

To the unit holders of NBP Government Securities Liquid Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NBP Government Securities Liquid Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the 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 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 and NBP Fund Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

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 year. 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. We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditor's report thereon

Management Company is responsible for the other information. The other information comprises the information (Directors' Report, Fund Manager Report & Trustee Report to the Unit Holders) 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 Company and Those Charged with Governance for the financial statements

Management Company 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 the Management Company 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 Company 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 Company 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 are 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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- 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 Those Charged with Governance of 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 Those Charged with Governance of 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 Those Charged with Governance of 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Nadeem Yousuf Adil**.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 28, 2022
UDIN: AR202210091mjcipUE

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2022

	Note	2022	2021
		Rupees in '000	
ASSETS			
Bank balances	5	1,250,836	1,501,997
Investments	6	-	1,434,754
Mark-up accrued	7	3,329	5,345
Advance and prepayment	8	10,123	10,212
Receivable against transfer of units	9	6,300	-
Total assets		1,270,588	2,952,308
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	10	1,875	2,929
Payable to Central Depository Company of Pakistan Limited - Trustee	11	53	83
Payable to the Securities and Exchange Commission of Pakistan	12	208	401
Payable against redemption of units		35	252
Payable against purchase of investment		-	1,434,608
Accrued expenses and other liabilities	13	49,195	74,851
Total liabilities		51,366	1,513,124
NET ASSETS		1,219,222	1,439,184
UNIT HOLDERS' FUND (as per statement attached)		1,219,222	1,439,184
Contingencies and commitments	14	----- Number of units -----	
Number of units in issue	15	119,211,811	140,893,274
		----- Rupees -----	
Net asset value per unit		10.2274	10.2147

The annexed notes from 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 -----	
INCOME			
Income from government securities		80,343	102,273
Profit on bank deposits		23,363	42,923
Income from money market placements		-	3,525
Net loss on sale of investments		(313)	(472)
Net unrealised gain on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	6.2	-	371
Total income		103,393	148,620
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company	10.1	2,107	5,439
Sindh Sales Tax on remuneration of the Management Company	10.2	274	707
Reimbursement of operational expenses to the Management Company	10.4	1,298	2,330
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	601	1,304
Sindh Sales Tax on remuneration of the Trustee	11.2	78	170
Reimbursement of Selling and marketing expenses	10.3	5,192	10,030
Annual fee to the Securities and Exchange Commission of Pakistan	12	208	401
Auditors' remuneration	16	762	765
Securities transaction costs		20	10
Bank charges		30	98
Annual listing fee		28	28
Mutual fund rating fee		380	499
Legal and Professional charges		288	245
Printing charges		58	130
Total expenses		11,324	22,156
Net income from operating activities		92,069	126,464
Reversal / (provision) for Sindh Workers' Welfare Fund	13.1	25,955	(2,529)
Net income for the year before taxation		118,024	123,935
Taxation	17	-	-
Net income for the year after taxation		118,024	123,935
Earnings per unit	18		
Allocation of net income for the year			
Net income for the year after taxation		118,024	123,935
Income already paid on units redeemed		(14,310)	(4,907)
		103,714	119,028
Accounting income available for distribution:			
Relating to capital gain		-	-
Excluding capital gain		103,714	119,028
		103,714	119,028

The annexed notes from 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	-----
Net income for the year after taxation	118,024	123,935
Other comprehensive income	-	-
Total comprehensive income for the year	118,024	123,935

The annexed notes from 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
Net assets at the beginning of the year	1,335,998	103,186	1,439,184	2,123,920	101,482	2,225,402
Issue of 171,441,532 units (2021: 138,952,648 units)						
- Capital value	1,751,224	-	1,751,224	1,417,623	-	1,417,623
- Element of income	10,277	-	10,277	2,876	-	2,876
Total proceeds on issuance of units	1,761,501	-	1,761,501	1,420,499	-	1,420,499
Redemption of 193,122,995 units (2021: 216,189,797 units)						
- Capital value	(1,972,693)	-	(1,972,693)	(2,205,612)	-	(2,205,612)
- Element of loss	(5,127)	(14,310)	(19,437)	(824)	(4,907)	(5,731)
Total payments on redemption of units	(1,977,820)	(14,310)	(1,992,130)	(2,206,436)	(4,907)	(2,211,343)
Total comprehensive income for the year	-	118,024	118,024	-	123,935	123,935
Interim distributions made during the year (note 29)	(5,035)	(102,322)	(107,357)	(1,985)	(117,324)	(119,309)
Net assets at the end of the year	1,114,644	104,578	1,219,222	1,335,998	103,186	1,439,184
Undistributed income brought forward						
- Realised		102,815			100,082	
- Unrealised		371			1,400	
		103,186			101,482	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		103,714			119,028	
		103,714			119,028	
Interim distributions made during the year (note 29)		(102,322)			(117,324)	
Undistributed income carried forward		104,578			103,186	
Undistributed income carried forward						
- Realised		104,578			102,815	
- Unrealised		-			371	
		104,578			103,186	
Net assets value per unit at beginning of the year			<u>10.2147</u>			<u>10.2022</u>
Net assets value per unit at end of the year			<u>10.2274</u>			<u>10.2147</u>

The annexed notes from 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
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	118,024	123,935
Adjustments		
Profit on bank deposits	(23,363)	(42,923)
Income from money market placements	-	(3,525)
Net loss on sale of investments	313	472
Net unrealised gain on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	-	(371)
(Reversal) / provision for Sindh Workers' Welfare Fund	(25,955)	2,529
	<u>69,019</u>	<u>80,117</u>
Decrease / (Increase) in assets		
Investments - net	(167)	1,577,787
Advances and prepayments	89	31
	(78)	1,577,818
(Decrease) / increase in liabilities		
Payable to the Management Company	(1,054)	(2,212)
Payable to Central Depository Company of Pakistan Limited - Trustee	(30)	(47)
Payable to the Securities and Exchange Commission of Pakistan	(193)	(73)
Accrued expenses and other liabilities	299	(772)
	<u>(978)</u>	<u>(3,104)</u>
	<u>67,963</u>	<u>1,654,831</u>
Return of bank balances received	25,379	41,763
Return on money market placement	-	3,525
	<u>25,379</u>	<u>45,288</u>
Net cash generated from operating activities	<u>93,342</u>	<u>1,700,119</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units net of capital value of distribution	1,750,166	1,482,514
Amount paid on redemption of units	(1,992,347)	(2,215,009)
Dividend paid	(102,322)	(117,324)
Net cash used in from financing activities	<u>(344,503)</u>	<u>(849,819)</u>
Net (decrease) / increase in cash and cash equivalents during the year	<u>(251,161)</u>	<u>850,300</u>
Cash and cash equivalents at beginning of the year	1,501,997	651,697
Cash and cash equivalents at end of the year	<u>1,250,836</u>	<u>1,501,997</u>

The annexed notes from 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

- 1.1 NBP Government Securities Liquid Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 10 April 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of Mutual Fund Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund categorised as "money market scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

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

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

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

During the year ended 30 June, 2021 The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2. 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;
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Wherever provisions of and directives issued under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulation or the directives issued by the SECP differ with the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund. All amounts have been rounded off to the nearest thousands of Rupee, unless otherwise indicated.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan. It requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- a) Classification and valuation of financial assets (Note 4.2.2 and 4.2.4)
- b) Impairment of financial assets (Note 4.2.3)
- c) Provisions (Note 4.6)

3 ADOPTION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS:

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the fund's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022

Effective from accounting period beginning on or after:

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 Financial assets and liabilities

4.2.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost (“AC”),
- Fair value through other comprehensive income (“FVTOCI”) and
- Fair value through profit or loss (“FVTPL”).

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at FVTOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

Business Model Assessment

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV).

The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- Measured at amortized cost (AC) ;or
- Measured at Fair value through profit or loss (FVTPL) ;or

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

4.2.3 Impairment of financial assets

The SECP has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertains to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenor of the securities.

4.2.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.7 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the recognised amounts and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Impairment of non-financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed through the Income Statement.

4.3.1 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Sales load collected, if any, is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) 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 assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.5 Provisions

Provisions are recognised 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.

4.6 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the 'income statement' on 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 included in the income statement in the period in which they arise.
- Mark-up / return on bank balances and term deposits, government securities, letter of placement and certificate of investments are recognised on a time apportionment basis using the effective interest method.

4.7 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee, annual fee payable to the SECP, and selling and marketing expense) are recognised in the 'income statement' on an accrual basis.

4.8 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 its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

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.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.9 Distributions to the unit holders

Distributions to the unit holders are recognised 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 recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.10 Earnings per unit

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

	Note	2022 ----- Rupees in '000 -----	2021 -----
5 BANK BALANCES			
Current accounts	5.1	26	3,040
Savings accounts	5.2	1,250,810	1,498,957
		<u>1,250,836</u>	<u>1,501,997</u>

5.1 This includes bank balance of Rs. 0.026 million (2021: Rs. 0.026 million) maintained with National Bank of Pakistan.

5.2 These accounts carry rates of return ranging from 6.5% to 18.28% (2021: 4.5% to 8.1%) per annum.

	Note	2022 ----- Rupees in '000 -----	2021 -----
6 INVESTMENTS			
At fair value through profit or loss			
Government securities - Market Treasury Bills	6.1	-	1,434,754

6.1 Investment in Government securities - Market Treasury bills

Issue Date	Tenor	Face value				Market value as at June 30, 2022	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2021	Purchases during the year	Sales / matured during the year	As at June 30, 2022			
Rupees in '000' ----- % -----								
April 8, 2021	6 Months	-	799,800	799,800	-	-	-	-
May 6, 2021	6 Months	-	460,000	460,000	-	-	-	-
May 20, 2021	3 Months	-	350,000	350,000	-	-	-	-
June 3, 2021	3 Months	1,450,000	-	1,450,000	-	-	-	-
June 3, 2021	6 Months	-	867,000	867,000	-	-	-	-
July 2, 2021	3 Months	-	945,000	945,000	-	-	-	-
July 15, 2021	3 Months	-	350,000	350,000	-	-	-	-
July 15, 2021	6 Months	-	420,000	420,000	-	-	-	-
July 29, 2021	3 Months	-	500,000	500,000	-	-	-	-
August 12, 2021	3 Months	-	457,000	457,000	-	-	-	-



Issue Date	Tenor	Face value				Market value as at June 30, 2022	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2021	Purchases during the year	Sales / matured during the year	As at June 30, 2022			
								Rupees in '000' ----- % -----
August 12, 2021	6 Months	-	250,000	250,000	-	-	-	-
August 26, 2021	6 Months	-	50,000	50,000	-	-	-	-
September 23, 2021	3 Months	-	820,000	820,000	-	-	-	-
October 7, 2021	3 Months	-	665,000	665,000	-	-	-	-
October 21, 2021	3 Months	-	500,000	500,000	-	-	-	-
November 4, 2021	3 Months	-	814,000	814,000	-	-	-	-
December 2, 2021	3 Months	-	545,000	545,000	-	-	-	-
December 16, 2021	3 Months	-	835,000	835,000	-	-	-	-
December 30, 2021	3 Months	-	835,000	835,000	-	-	-	-
December 30, 2021	6 Months	-	1,000,000	1,000,000	-	-	-	-
January 27, 2022	3 Months	-	1,650,000	1,650,000	-	-	-	-
February 10, 2022	3 Months	-	850,000	850,000	-	-	-	-
February 24, 2022	3 Months	-	800,000	800,000	-	-	-	-
March 10, 2022	3 Months	-	800,000	800,000	-	-	-	-
March 24, 2022	3 Months	-	798,600	798,600	-	-	-	-
April 7, 2022	3 Months	-	410,000	410,000	-	-	-	-
April 21, 2022	3 Months	-	50,000	50,000	-	-	-	-

Carrying value before mark to market as at June 30, 2022

-

6.2 Net unrealised gain on re-measurement of investment classified as 'financial assets at fair value through profit or loss'

Market value of investments
Less: carrying value of investments before mark to market

Note	2022 ----- Rupees in '000	2021 -----
6.1	-	1,434,754
	-	(1,434,383)
	-	371

	Note	2022 ----- Rupees in '000 -----	2021 -----
7 MARK-UP ACCRUED			
Mark-up accrued on bank balances		<u>3,329</u>	<u>5,345</u>
8 ADVANCE AND PREPAYMENT			
Advance tax		9,978	9,978
Prepaid mutual fund rating fee		146	234
		<u>10,123</u>	<u>10,212</u>

9 RECEIVABLE AGAINST TRANSFER OF UNITS

This includes amounts receivable to the Fund from other collective investment schemes being managed by the Management Company of the Fund. These amounts are receivable in respect of units transferred by various unit holders based on their request for transfer of units from other collective investment schemes to the Fund. This includes an amount Rs. 6.3M receivable against transfer of Units from NBP Financial Sector Income Fund .

	Note	2022 ----- Rupees in '000 -----	2021 -----
10 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration of the Management Company	10.1	172	226
Sindh Sales Tax on remuneration of the Management Company	10.2	22	29
Reimbursement of operational expenses	10.4	301	514
Reimbursement of selling and marketing expense	10.3	1,205	2,058
Sales Load Including Sindh Sales Tax		164	94
ADC charges Including Sindh Sales Tax		11	8
		<u>1,875</u>	<u>2,929</u>

10.1 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 as follows:

- 1% per annum on the daily income of the Fund subject to minimum 0.2% of average annual net assets and maximum 1% of average annual net assets.

For the purpose of above calculation, daily net income is equals to gross income minus all expenses of the Fund excluding management remuneration and related sales tax thereon. The remuneration is payable to the Management Company monthly in arrears.

- 10.2** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2011. During the year, Sindh Sales Tax at the rate of 13% (30 June 2021: 13%) was charged on management remuneration and sales load.
- 10.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion has charged selling and marketing expenses at the rate of 0.5% of average annual net assets or actual expenses whichever is lower.
- 10.4** In accordance with Regulation 60 of the NBFC Regulations, the 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). The Management Company based on its discretion has charged accounting and operational charges at the rate of 0.125% of the average annual net assets of the Fund.

	Note	2022	2021
		-----Rupees in '000-----	
11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration of the Trustee	11.1	47	73
Sindh Sales Tax on remuneration of the Trustee	11.2	6	10
		<u>53</u>	<u>83</u>

- 11.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund. During the year remuneration has been charged as follows:
- 0.065% per annum of average net assets till 30 September, 2021.
 - 0.055% per annum of average net assets applicable from 1 October, 2021.
- 11.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2021: 13%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme categorised as an "money market scheme" is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019, fee has been reduced to 0.02% per annum from 0.075% per annum. The fee is paid annually in arrears.

	Note	2022	2021
		----- Rupees in '000 -----	
13 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	13.1	-	25,955
Federal Excise Duty on management remuneration	13.2	45,779	45,779
Auditors' remuneration		632	621
Brokerage		-	-
Bank charges		19	41
Withholding tax		1,461	1,184
Capital gain tax		44	20
Legal and Professional charges		140	141
Others		1,120	1,110
		<u>49,195</u>	<u>74,851</u>

- 13.1** 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 recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.
- 13.2** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Further, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, being prudent, is carrying provision for FED aggregating to Rs. 45.779 million as at June 30, 2022. Had the provision not being made, the net asset value per unit as at June 30, 2022 would have been higher by Rs.0.3840 per unit (2021: Rs.0.3249 per unit).

14 CONTINGENCIES AND COMMITMENTS

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

	2022	2021
Note	-----Number of units-----	
15 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	140,893,274	218,130,423
Add: units issued during the year	171,441,532	138,952,648
Less: units redeemed during the year	(193,122,995)	(216,189,797)
Total units in issue at the end of the year	119,211,811	140,893,274
	2022	2021
	-----Rupees in '000-----	
16 AUDITORS' REMUNERATION		
Annual audit fee	482	450
Half yearly review	193	180
Out of pocket expenses and sales tax and others	87	135
	762	765

17 TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). The Fund has distributed such accounting income for the year ended June 30, 2022 to its unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

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

18 EARNINGS PER UNIT

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

19 TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the year divided by Average net assets for the year) is 1.09% (2021: 1.23%) per annum including 0.05% (2021:0.19%) representing government levies on collective investment scheme such as sales tax, worker's welfare fund and SECP fee for the year.

20 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS/RELATED PARTIES

20.1 Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

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

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

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

20.5 Transactions during the year	2022	2021
	----- Rupees in '000 -----	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	2,107	5,439
Sindh Sales Tax on remuneration of the Management Company	274	707
Reimbursement of operational expenses to the Management Company	1,298	2,330
Reimbursement of Selling and marketing expenses	5,192	10,030
Sales load including sindh sales tax	522	94
ADC charges including sindh sales tax	11	8
National Bank of Pakistan (Parent of the Management Company)		
Market Treasury Bills purchased	1,452,852	-
Bank profit earned in savings account	62	142

	2022	2021
	----- Rupees in '000 -----	
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	601	1,304
Sindh sales tax on remuneration of the Trustee	78	170
Employees of the Management Company		
Re-investment of dividend: 29,277 units (2021: 16,435 units)	299	168
Units issued / transferred in: 133,317 units (2021: 143,204 units)	1,365	1,462
Units redeemed / transferred out: 160,344 units (2021: 325,929 units)	1,646	3,335
NBP Employees Pension Fund - (Provident Fund of Parent Company) (Unit holder of 10% or more of units of the Fund)		
Re-investment of dividend: 2,663,749 units issued (2021: 1,497,153 units)	27,217	15,275
Units Issued / Trasferred In :180,601 units (2021 : Nil)	1,841	-
* Pakistan Stock Exchange (Common Directorship with the Management Company)		
Listing fee paid	-	25
Fauji Fertilizers Company Limited (Common Directorship with the Management Company)		
Re-investment of dividend: 39 units (2021: 15 units)	-	-
Units issued / transferred in: Nil (2021: 48,976,303 units)	-	500,004
Units redeemed / transferred out: Nil (2021: 48,975,914 units)	-	501,322
Portfolios managed by the Management Company		
Units Issued / Trasferred In : 14,839,234 Units (2021: 4,274,070 units)	151,700	43,660
Units redeemed/trasferred out : Nil (2021: 4,274,070 units)	-	43,701
* Fauji Akbar Portia Marine Terminals Limited (Unit holder of 10% or more of units of the Fund)		
Re-investment of dividend: Nil units (2021: 1,975,586 units)	-	20,156
National Fullerton Asset Management Ltd- Emp. Provident Fund (Provident Fund of Management Company)		
Units issued / transferred in: Nil units (2021: 554,926 units)	-	5,666
Units issued / transferred in: Nil units (2021: 554,926 units)	-	5,685
NBP Financial Sector Income Fund- (Entity Managed by Management Company)		
Market Treasury Bills purchased	-	24,966

	2022	2021
	----- Rupees in '000 -----	
20.6 Amounts outstanding as at year end are as follows:		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	172	226
Sindh Sales Tax on remuneration of the Management Company	22	29
Reimbursement of operational expenses	301	514
Reimbursement of selling and marketing expense	1,205	2,058
Sales load including Sindh Sales Tax	164	94
ADC Payable	11	8
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	47	73
Sindh Sales Tax on remuneration of the Trustee	6	10
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	919	869
Bank profit receivable	41	45
Employees of the Management Company		
Investment held in the Fund: 341,635 units (2021:339,391 units)	3,494	3,467
NBP Employees Pension Fund - (Subsidiary of Parent Company) (Unit holder of 10% or more of units of the Fund)		
Investment held in the Fund: 28,173,009 units (2021: 25,328,660 units)	288,137	258,725
* Fauji Akbar Portia Marine Terminals Limited (Unit holder of 10% or more of units of the Fund)		
Investment held in the funds: Nil units (2021: 39,127,774 units)	-	399,678
Portfolios managed by the Management Company		
Investment held in the Fund: 14,839,234 units (2021: Nil)	151,767	-
Fauji Fertilizer Company Limited- (Common Directorship)		
Investment held in the funds: 444 units (2021: 405 units)	5	4

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

** Prior year balances with these parties have not been disclosed as they were not connected persons and related parties during prior year.

21 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	Doctorate in Business Administration, MBA and CFA	34
2	Mr. Asim Wahab Khan	CFA	16
3	Mr. Salman Ahmed	CFA	17
4	Mr. Hassan Raza	ACCA, BSC and CFA	11
5	Mr. Usama Bin Razi	BE and MBA	18

21.1 Mr. Salman Ahmed is the Fund Manager of the Fund. Other Funds being managed by the Fund manager are as follows:

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

22 TRANSACTIONS WITH BROKERS / DEALERS

List of brokers by percentage of commission charged during the year ended June 30, 2022

S.No.	Particulars	Percentage
1	Continental Exchange (Private) Limited	25.52
2	Paramount Capital (Private) Limited	22.62
3	BMA Capital Management Limited	20.55
5	Invest One Markets Limited	15.79
6	Bright Capital (Private) Limited	15.52

List of brokers by percentage of commission charged during the year ended June 30, 2021

S.No.	Particulars	Percentage
1	Paramount Capital (Private) Limited	55.59
2	Continental Exchange (Private) Limited	37.36
3	Invest One Markets Limited	3.94
4	Bright Capital (Private) Limited	3.11

23 PATTERN OF UNIT HOLDING

Category	As at June 30, 2022		
	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
(Rupees in '000)			
Individuals	1,290	345,298	28.32%
Associated Companies and Directors	3	288,137	23.63%
NBFCs	1	-	0.00%
Retirement Funds	21	346,133	28.39%
Public Limited Companies	6	2,294	0.19%
Others	41	237,360	19.47%
	1,362	1,219,222	100.00%

Category	As at June 30, 2021		
	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
(Rupees in '000)			
Individuals	1,323	363,425	25.25%
Associated Companies and Directors	3	258,726	17.98%
NBFC	1	-	0.00%
Retirement Funds	16	154,782	10.75%
Public Limited Companies	9	2,323	0.16%
Others	48	659,928	45.86%
	1,400	1,439,184	100.00%

24. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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 the Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	5	5	-	
Tauqeer Mazhar	4	4	-	
Mehnaz Salar	5	5	-	
Ali Saigol	5	5	-	
Imran Zaffar	5	4	1	85th BOD Meeting
Khalid Mansoor	5	4	1	82nd BOD Meeting
Saad Amanullah Khan	5	5	-	
Humayun Bashir	5	5	-	
Amjad Waheed	5	5	-	

- 24.1. Syed Hasan Irtiza Kazmi resigned from the Board with effect from June 25, 2021 and Mr. Tauqeer Mazhar opted as Director on the Board with effect from August 04, 2021.

25. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2022			
	At amortized cost	At fair value through profit or loss	Total
Rupees in '000			
Financial assets			
Bank balances	1,250,836	-	1,250,836
Mark-up accrued	3,329	-	3,329
Receivable against transfer of units	6,300	-	6,300
	1,260,465	-	1,260,465

As at June 30, 2022			
	At amortized cost	At fair value through profit or loss	Total
Rupees in '000			
Financial liabilities			
Payable to the Management Company	1,875	-	1,875
Payable to the Trustee	53	-	53
Payable against redemption of units	35	-	35
Accrued expenses and other liabilities	1,911	-	1,911
Net assets attributable to redeemable units	1,219,222	-	1,219,222
	1,223,096	-	1,223,096

As at June 30, 2021			
	Loans and receivables	At fair value through profit or loss	Total
Rupees in '000			
Financial assets			
Bank balances	1,501,997	-	1,501,997
Investment	-	1,434,754	1,434,754
Mark-up accrued	5,345	-	5,345
	1,507,342	1,434,754	2,942,096

As at June 30, 2021			
	At amortized cost	At fair value through profit or loss - held for trading	Total
Rupees in '000			
Financial liabilities			
Payable to the Management Company	2,929	-	2,929
Payable to the Trustee	83	-	83
Payable against redemption of units	252	-	252
Payable against purchase of investment	1,434,608	-	1,434,608
Accrued expenses and other liabilities	1,913	-	1,913
Net assets attributable to redeemable units	1,439,184	-	1,439,184
	2,878,969	-	2,878,969

26. FINANCIAL RISK MANAGEMENT

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

26.1. Market risk

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

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan and Investment Committee.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

26.1.1. 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, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

26.1.2. Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is mainly exposed to interest rate risk on balances held with banks in savings account.

- Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument and is not exposed to cash flow interest rate risk except for balances in certain saving accounts. In case of 100 basis points increase / decrease in KIBOR and bank profit rates with all other variables held constant, the net assets of the Fund would have been higher / lower by approximately Rs. 12.51 million (June 30 2021: Rs.14.99 million)

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

- Sensitivity analysis for fixed rate instruments

Presently, the fund does not hold any fixed rate instrument that has been designated at fair value through profit and loss. Therefore, a change in interest rate as at June 30, 2022 would not have any affect on the income statement.

Interest rate sensitivity position for on balance sheet financial instruments based on the earlier of contractual repricing or maturity date and for off balance sheet instruments based on settlement date is as follows:

As at June 30, 2022							
Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk		
		Upto three months	More than three months and upto one year	More than one year			
On-balance sheet financial instruments	%	----- Rupees in '000 -----					
Financial assets							
Bank balances	6.50 - 18.28	1,250,836	1,250,810	-	-	26	
Investment		-	-	-	-	-	
Mark-up accrued		3,329	-	-	-	3,329	
Receivable against transfer of units		6,300	-	-	-	6,300	
		1,260,465	1,250,810	-	-	9,655	
Financial liabilities							
Payable to the Management Company		1,875	-	-	-	1,875	
Payable to the Trustee		53	-	-	-	53	
Payable against redemption of units		35	-	-	-	35	
Accrued expenses and other liabilities		1,911	-	-	-	1,911	
Net assets attributable to redeemable units		1,219,222	-	-	-	1,219,222	
		1,223,096	-	-	-	1,223,096	
On-balance sheet gap		37,369	1,250,810	-	-	(1,213,441)	
Off-balance sheet financial instruments		-	-	-	-	-	
Off-balance sheet gap		-	-	-	-	-	

As at June 30, 2021							
Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk		
		Upto three months	More than three months and upto one year	More than one year			
On-balance sheet financial instruments	%	----- Rupees in '000 -----					
Financial assets							
Bank balances	4.50 - 8.10	1,501,997	1,498,957	-	-	3,040	
Investment	7.31	1,434,754	1,434,754	-	-	-	
Mark-up accrued		5,345	-	-	-	5,345	
		2,942,096	2,933,711	-	-	8,385	
Financial liabilities							
Payable to the Management Company		2,929	-	-	-	2,929	
Payable to the Trustee		83	-	-	-	83	
Payable against redemption of units		252	-	-	-	252	
Payable against purchase of units		1,434,608	-	-	-	1,434,608	
Payable against purchase of investment		1,913	-	-	-	1,913	
Net assets attributable to redeemable units		1,439,184	-	-	-	1,439,184	
		2,878,969	-	-	-	2,878,969	
On-balance sheet gap		63,127	2,933,711	-	-	(2,870,584)	
Off-balance sheet financial instruments		-	-	-	-	-	
Off-balance sheet gap		-	-	-	-	-	

26.1.3 Price risk

Price 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 (other than those arising from interest 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 instruments traded in the market. Presently, the Fund is not exposed to any price risk.

26.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in government securities. The Fund is also exposed to counter party credit risks on loans and receivables, balances with banks, profit receivable, advances, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings. In addition, the Fund's policy is to enter into financial instrument contracts following internal guidelines such as approving counterparties, approving credit, obtaining adequate collateral and transacting through approved brokers.

The Fund's significant credit risk arises mainly on account of its placement with banks. The credit rating profile of balances with banks is as follow:

Bank balances by rating category	June 30, 2022	June 30, 2021
AAA	0.58%	96.30%
AA+	98.88%	2.90%
AA	0.24%	0.10%
AA-	0.22%	0.10%
A+	0.08%	0.60%
Suspended	0.00%	0.00%

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is as follows:

	June 30, 2022		June 30, 2021	
	Amount of financial assets	Maximum exposure	Amount of financial assets	Maximum exposure
----- Rupees in '000 -----				
Bank balances	1,250,836	1,250,836	1,501,997	1,501,997
Investment	-	-	1,434,754	1,434,754
Mark-up accrued	3,329	3,329	5,345	5,345
Receivable against transfer of units	6,300	6,300	-	-

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

The Fund's major asset balances (99.00%) are held with three banks. The management believes that these are credit-worthy counterparties which also include the Federal Government."

26.3 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 cash 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, without incurring unacceptable losses or risking damages

to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

For the purpose of making redemptions, the Fund has the ability to borrow in the short term. However, such need did not arise during the year. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

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 significant redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

----- June 30, 2022 -----				
	Total	Upto three months	Over three months and upto one year	Over one year
-----Rupees in '000-----				
Financial liabilities				
Payable to the Management Company	1,875	1,875	-	-
Payable to the Trustee	53	53	-	-
Payable against redemption of units	35	35	-	-
Accrued expenses and other liabilities	1,911	1,911	-	-
Net assets attributable to redeemable units	<u>1,219,222</u>	<u>1,219,222</u>		
	<u>1,223,096</u>	<u>1,223,096</u>	<u>-</u>	<u>-</u>

----- June 30, 2021 -----				
	Total	Upto three months	Over three months and upto one year	Over one year
-----Rupees in '000-----				
Financial liabilities				
Payable to the Management Company	2,929	2,929	-	-
Payable to the Trustee	83	83	-	-
Payable against redemption of units	252	252	-	-
Payable against Purchase of investment	1,434,608	1,434,608	-	-
Payable against purchase of units	1,913	1,913	-	-
Net assets attributable to redeemable units	<u>1,439,184</u>	<u>1,439,184</u>		
	<u>2,878,969</u>	<u>2,878,969</u>	<u>-</u>	<u>-</u>

27 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions 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 in the statement of movement in unit holders' fund.

The Fund has no restrictions on the issuance 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' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 26, the Fund endeavors to invest the amount received on issuance of units appropriate investments while maintaining sufficient liquidity to meet redemption requests which would be augmented by disposal of investments where necessary.

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements 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 (that is, as prices) or indirectly (that is, derived from prices)

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

	Carrying amount			Fair value		
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Total
----- Rupees in '000 -----						
June 30, 2022						
Financial assets measured at fair value						
Government Securities - Treasury Bills	-	-	-	-	-	-
	-	-	-	-	-	-
Financial assets not measured at fair value						
Bank balances	-	1,250,836	1,250,836	-	-	-
Mark-up accrued	-	3,329	3,329	-	-	-
Receivable against transfer of units	-	6,300	6,300	-	-	-
	-	1,260,465	1,260,465	-	-	-
Financial liabilities not measured at fair value						
Payable to NBP Fund Management Limited - Management Company	-	1,875	1,875	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	53	53	-	-	-
Payable against redemption of units	-	35	35	-	-	-
Accrued expenses and other liabilities	-	1,911	1,911	-	-	-
Net assets attributable to redeemable units	-	1,219,222	1,219,222	-	-	-
	-	1,223,096	1,223,096	-	-	-

	Carrying amount			Fair value		
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Total
June 30, 2021						
----- Rupees in '000 -----						
Financial assets measured at fair value						
Government Securities - Treasury Bills	1,434,754	-	1,434,754	-	1,434,754	1,434,754
	1,434,754	-	1,434,754	-	1,434,754	1,434,754
Financial assets not measured at fair value						
Bank balances	-	1,501,997	1,501,997	-	-	-
Mark-up accrued	-	5,345	5,345	-	-	-
	-	1,507,342	1,507,342	-	-	-
Financial liabilities not measured at fair value						
Payable to NBP Fund Management Limited - Management Company	-	2,929	2,929	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	83	83	-	-	-
Payable against purchase of Investments	-	252	252	-	-	-
Payable against redemption of units	-	1,434,608	1,434,608	-	-	-
Accrued expenses and other liabilities	-	1,913	1,913	-	-	-
Net assets attributable to redeemable units		1,439,184	1,439,184			
	-	2,878,969	2,878,969	-	-	-

The Fund has not disclosed the fair values for other financial assets and financial liabilities, as these are either short term in nature or repriced frequently. Therefore, their carrying amounts are reasonable approximation of fair value.

29. INTERIM DISTRIBUTIONS MADE DURING THE YEAR

----- For the year ended June 30, 2022 -----					
	Rate per unit	Declaration date	Cash distribution		
			Capital value	Undistributed income	Total
----- Rupees in '000 -----					
For the month of July 2021	Re. 0.0489	July 28, 2021	22	6,809	6,831
For the month of August 2021	Re. 0.2519	August 28, 2021	4	23,031	23,035
For the month of September 2021	Re. 0.0611	September 28, 2021	281	5,569	5,850
For the month of October 2021	Re. 0.0514	October 26, 2021	93	4,844	4,937
For the month of November 2021	Re. 0.0541	November 26, 2021	53	4,861	4,914
For the month of December 2021	Re. 0.0782	December 28, 2021	997	6,720	7,717
For the month of January 2022	Re. 0.0821	January 27, 2022	1665	8,334	9,999
For the month of February 2022	Re. 0.0728	February 24, 2022	265	6,143	6,408
For the month of March 2022	Re. 0.0886	March 29, 2022	73	7,470	7,543
For the month of April 2022	Re. 0.0889	April 27, 2022	216	7,810	8,026
For the month of May 2022	Re. 0.1014	May 26, 2022	90	9,024	9,114
For the month of June 2022	Re. 0.1269	June 28, 2022	1276	11,707	12,983
			5,035	102,322	107,357

----- For the year ended June 30, 2021 -----

Rate per unit	Declaration date	Cash distribution			
		Capital value	Undistributed income	Total	
----- Rupees in '000 -----					
For the month of July 2020	Re. 0.0422	July 28, 2020	104	8,903	9,007
For the month of August 2020	Re. 0.0478	August 28, 2020	34	9,940	9,974
For the month of September 2020	Re. 0.0523	September 28, 2020	45	10,487	10,532
For the month of October 2020	Re. 0.0498	October 27, 2020	18	9,944	9,962
For the month of November 2020	Re. 0.0513	November 26, 2020	43	10,219	10,262
For the month of December 2020	Re. 0.0481	December 24, 2020	409	9,365	9,774
For the month of January 2021	Re. 0.0617	January 27, 2021	470	11,945	12,415
For the month of February 2021	Re. 0.0477	February 24, 2021	311	9,405	9,716
For the month of March 2021	Re. 0.0530	March 26, 2021	175	10,515	10,690
For the month of April 2021	Re. 0.0598	April 27, 2021	227	11,964	12,191
For the month of May 2021	Re. 0.0512	May 26, 2021	68	6,872	6,940
For the month of June 2021	Re. 0.0584	June 25, 2021	81	7,765	7,846
			1,985	117,324	119,309

30 GENERAL

30.1 Figures have been rounded off to nearest thousand rupee.

31 DATE OF AUTHORISATION OF ISSUE

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

Particulars	For the Year	For the Year	For the Year	For the Year	For the Year	For the Year
	Ended June 30, 2022	Ended June 30, 2021	Ended June 30, 2020	Ended June 30, 2019	Ended June 30, 2018	Ended June 30, 2017
Net assets at the year / period ended (Rs '000)	1,219,222	1,439,184	2,225,402	1,931,332	5,790,612	4,598,229
Net income for the year / period ended (Rs '000)	118,024	123,935	280,706	269,495	257,128	207,559
Net Asset Value per unit at the year / period ended (Rs)	10.2274	10.2147	10.2022	10.1861	10.9686	10.1614
Offer Price per unit at year end	10.3430	10.3301	10.2022	10.1861	10.9686	10.1614
Redemption Price per unit at year end	10.2274	10.2147	10.2022	10.1861	10.9686	10.1614
Ex - Highest offer price per unit (Rs.)	10.3430	10.3301	10.2022	10.1861	10.9686	10.1626
Ex - Lowest offer price per unit (Rs.)	9.2775	9.6007	9.0715	9.3915	10.1634	9.4401
Ex - Highest redemption price per unit (Rs.)	10.2274	10.2147	10.2022	10.1861	10.6986	10.1626
Ex - Lowest redemption price per unit (Rs.)	9.1739	9.6007	9.0715	9.3881	10.1634	9.4419
Fiscal Year Opening Ex Nav	9.1721	9.5991	9.0679	9.3804	10.1614	9.4401
Total return of the fund	11.51%	6.41%	12.47%	8.59%	5.29%	7.64%
Capital growth	0.68%	0.30%	0.79%	0.51%	0.01%	-0.40%
Income distribution as a % of ex nav	10.83%	6.11%	11.69%	8.08%	5.28%	8.04%
Income distribution as a % of par value	11.06%	6.23%	11.91%	8.21%	5.37%	7.59%
Distribution						
Interim distribution per unit	1.1063	0.6233	1.1905	0.8207	-	0.7592
Final distribution per unit	-	-	-	-	0.5367	-
Distribution Dates						
Interim	28-Jul-21	28-Jul-20	30-Jul-19	-	-	-
Interim	26-Aug-21	28-Aug-20	29-Aug-19	-	-	-
Interim	28-Sep-21	28-Sep-20	28-Sep-19	-	-	-
Interim	26-Oct-21	27-Oct-20	29-Oct-19	-	-	-
Interim	26-Nov-21	26-Nov-20	28-Nov-19	-	-	-
Interim	28-Dec-21	24-Dec-20	27-Dec-19	21-Dec-19	-	-
Interim	27-Jan-22	26-Jan-21	28-Jan-20	29-Jan-19	-	-
Interim	24-Feb-22	24-Feb-21	27-Feb-20	27-Feb-19	-	-
Interim	29-Mar-22	26-Mar-21	27-Mar-20	29-Mar-19	-	-
Interim	27-Apr-22	27-Apr-21	29-Apr-20	26-Apr-19	-	-
Interim	26-May-22	26-May-21	29-May-20	30-May-19	-	-
Interim	28-Jun-22	25-Jun-21	26-Jun-20	24-Jun-19	-	21-Jun-17
Final	-	-	-	-	4-Jul-18	-
Average annual return of the fund (launch date May 16, 2009)						
(Since inception to June 30, 2022)	8.90%					
(Since inception to June 30, 2021)		8.69%				
(Since inception to June 30, 2020)			8.89%			
(Since inception to June 30, 2019)				8.54%		
(Since inception to June 30, 2018)					8.54%	
(Since inception to June 30, 2017)						8.95%
Portfolio Composition (Please see Fund Manager Report)						
Weighted average portfolio duration	1 Day	57 Days	32 Days	25 Days	13 Days	3 Days

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

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