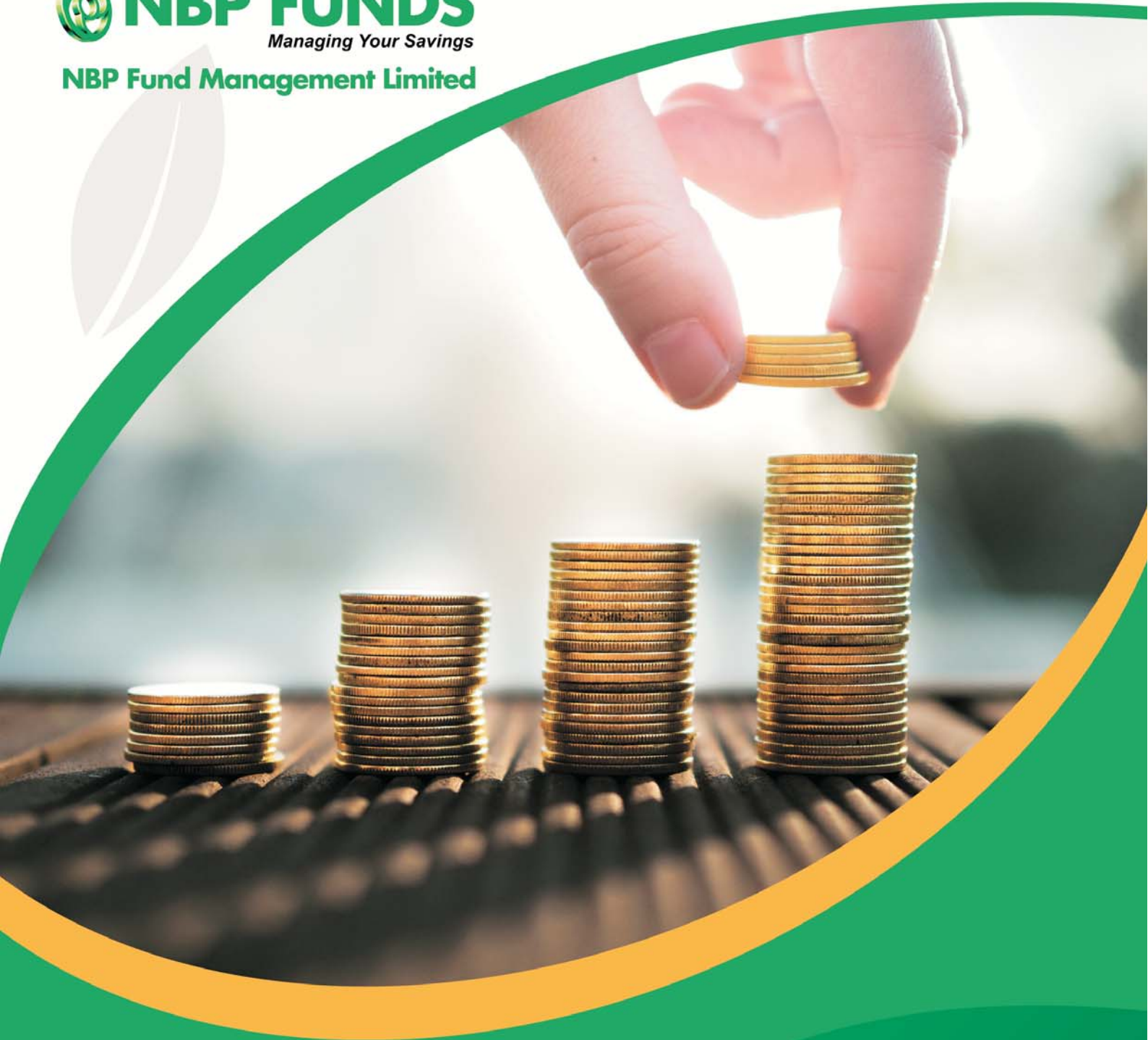




Managing Your Savings

NBP Fund Management Limited



NBP MONEY MARKET 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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

| | |
|---------------------------------|-----------------------------|
| MCB Bank Limited | Allied Bank Limited |
| JS Bank Limited | BankIslami Pakistan Limited |
| Meezan Bank Limited | National Bank of Pakistan |
| Habib Bank Limited | Samba Bank Limited |
| United Bank Limited | Faysal Bank Limited |
| Bank Alfalah Limited | Dubai Islamic Bank Limited |
| Bank Al Habib Limited | |
| Askari Bank Limited | |
| Habib Metropolitan Bank Limited | |

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Humayun Bashir
Director



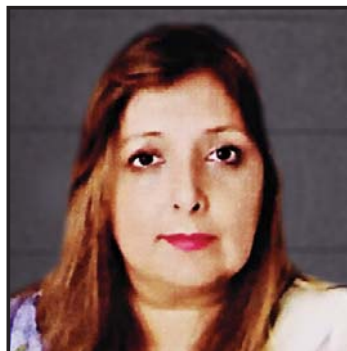
Mr. Tauqeer Mazhar
Director



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 eleventh Annual Report of **NBP Money Market Fund** (NMMF) for the year ended June 30, 2022.

Fund's Performance

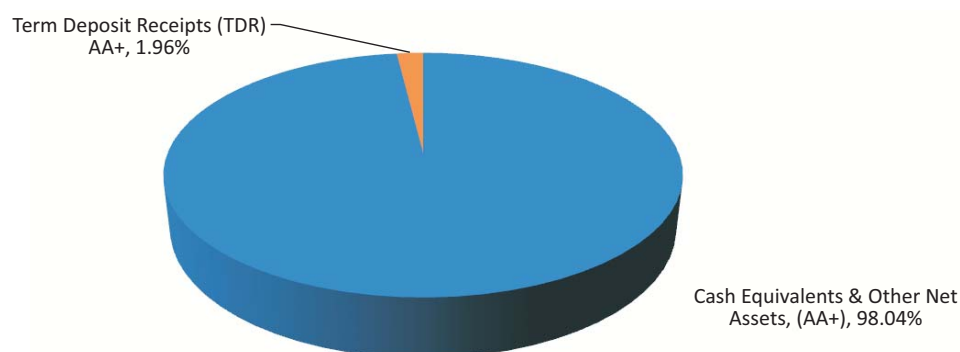
During FY22, State Bank of Pakistan (SBP) held eight (8) Monetary Policy meetings and increased the discount rate from 8% to 14.75% - to counter inflationary pressures, ensure economic sustainability and safeguard external & price stability; owing to significant domestic political noise and global uncertainty.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

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a money market scheme, the Fund has stringent investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

The size of NBP Money Market Fund has increased from Rs. 21,623 million to Rs. 51,107 million during the period, i.e., a notable growth of 136%. During the period, the unit price of the Fund has increased from Rs. 8.9140 (Ex-Div) on June 30, 2021 to Rs. 9.9311 on June 30, 2022 thus posting a return of 11.4% 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. 3,431.39 million during the year. After deducting total expenses of Rs. 132.08 million, the net income is Rs. 3,299.31 million. The asset allocation of NMMF as on June 30, 2022 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 10.53% of the opening ex-NAV (10.42% 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 Money Market Fund amounting to Rs. 180.33 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 Money Market Fund by 0.69% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Auditors

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

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

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held five meetings during the year. The attendance of all directors is disclosed in the note 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 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:

NBP MONEY MARKET FUND



| Category | Names |
|--------------------------------|---|
| Independent Directors | 1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir |
| Executive Director | Dr. Amjad Waheed - Chief Executive |
| 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 منی مارکیٹ فنڈ (NMMF) کی گیارہویں سالانہ رپورٹ برائے ختمہ سال 30 جون 2022 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

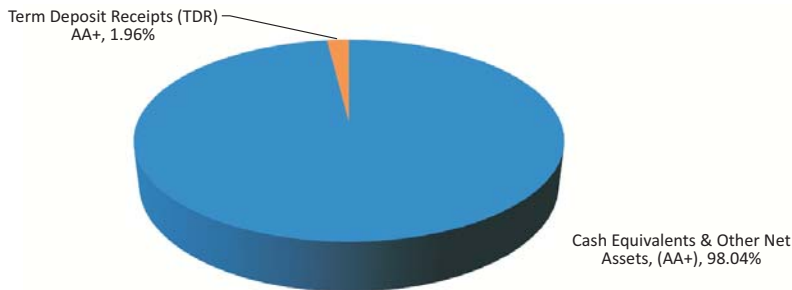
مالی سال 22 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے آٹھ (8) مانیٹری پالیسی اجلاس منعقد کئے اور اہم ملکی سیاسی شورا اور عالمی غیر یقینی صورتحال کی وجہ سے افراط زر کے دباؤ کا مقابلہ کرنے، معاشی استحکام کو یقینی بنانے اور بیرونی اور قیمتوں کے استحکام کی حفاظت کے لیے؛ ڈسکاؤنٹ کی شرح کو 8% سے بڑھا کر 14.75% کر دیا۔ دوسری ششماہی کے دوران، روس-یوکرین تنازعہ اور ایشیاء کی بڑھتی ہوئی قیمتوں کی وجہ سے عالمی اقتصادی حالات خراب ہو گئے، جس نے دنیا بھر کے تمام مرکزی بینکوں کو کئی سالوں کی بلند افراط زر اور 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 قیمتوں میں تیزی سے اضافہ، (ii) روپیہ پر مسلسل دباؤ، (iii) یوٹیلٹی ٹیرف میں اضافہ، اور (iv) ایندھن کی سبسڈی کا ختم ہونا۔ CPI کی پیمائش 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 17.23 بلین امریکی ڈالر کے مقابلے میں 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 چھپیس (26) ٹی بل نیلامیوں کا انعقاد کیا، جس سے کل 17.1 ٹریلین روپے کی وصولی ہوئی۔ حکومتی شرح منافع میں بھی حرکت دیکھی گئی جس کے نتیجے میں ثانوی مارکیٹ کی شرح منافع میں تیزی سے اضافہ ہوا، جس نے پالیسی ریٹ سے اپنے اعلیٰ تغیر کو برقرار رکھا۔ 3-ماہ، 6-ماہ اور 12-ماہ کی مدت کے لئے T-Bills کی شرح منافع میں بالترتیب 762، 770 اور 749 پیسز پوائنٹس کا اضافہ ہوا۔

NMMF کو PACRA کی طرف سے AA(f) کی اسٹیٹیلٹی ریٹنگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ ایک منی مارکیٹ اسکیم کی حیثیت سے فنڈ سرمایہ کاری کی انتہائی سخت ہدایات رکھتا ہے۔ فنڈ کی منظور شدہ انویسٹمنٹس میں ٹی بلز، بینک ڈپازٹس اور منی مارکیٹ انسٹرومنٹس شامل ہیں۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد مچھوڑی والی کسی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی مچھوڑی کی پیمائشی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

NBP منی مارکیٹ فنڈ کا سائز اس مدت کے دوران 21,623 ملین روپے سے بڑھ کر 51,107 ملین روپے ہو گیا ہے یعنی 136% کا قابل ذکر اضافہ ہوا۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 8.9140 روپے (EX-Div) سے بڑھ کر 30 جون 2022 کو 9.9311 روپے ہو گئی، اسی مدت کے دوران 9.3% کے نیچے مارک ریٹرن کے مقابلے میں 11.4% کا منافع درج کر لیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 3,431.39 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 132.08 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 3,299.31 ملین روپے رہی۔ 30 جون 2022 کو NMMF کی ایسٹ ایلوکییشن درج ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2022 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 10.53% (بنیادی قدر کا 10.42%) عبوری نقد ڈیویڈنڈ منظور کیا ہے۔

ٹیکسیشن

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

سندھ ورکرز ویلفیئر فنڈ (SWWF)

13 اگست 2021 کو NBP منی مارکیٹ فنڈ کی طرف سے سندھ ورکرز ویلفیئر فنڈ کی پرویزنگ کے بعد مرسل نمبر SRB/TP/70/2013/8772 مورخہ 12 اگست 2021 کی رو سے سندھ ریونیو بورڈ کی طرف سے موصولہ کلیئر بیلنیشن پر میچل فنڈ ز ایسوسی ایشن آف پاکستان کو دی گئی 180.33 ملین روپے کی رقم واپس کر دی گئی۔ پرویزن کی اس واپسی کے باعث 13 اگست 2021 کو NBP منی مارکیٹ فنڈ کی NAV میں 0.69% کا غیر معمولی اضافہ ہوا ہے۔ یہ ایک ایسا موقع ہے جو کہ مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

آڈیٹرز

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

لنڈ 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 پونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شہریاتی 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، ڈیوٹیوں، محصولات اور چارجز کی مد 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 28 میں ظاہر کی گئی ہے۔
11. پونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریٹ نہیں رکھتی۔ 30 جون 2022 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں

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

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مجلس رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 27 ستمبر 2022ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Money Market 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 Money Market Fund

NBP Money Market Fund (NMMF) is an Open-End Money Market Scheme.

Investment Objective of the Fund

The objective of NBP Money Market Fund is to provide stable income stream with preservation of capital by investing in AA and above rated banks and money market instruments.

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 11th Annual report since the launch of the Fund on February 23, 2012. The Fund size increased significantly by 136% during FY22 and stands at Rs. 51 billion as of June 30, 2022. The Fund's return since its inception is 8.5% p.a. versus the benchmark return of 7.2% p.a. This translates into outperformance of 1.3% p.a. The Fund posted a 11.4% return during FY22 versus the benchmark return of 9.3%. This performance is net of management fee and all other expenses.

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a money market scheme, the Fund has stringent investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits, and Money Market instruments. The minimum rating requirement is AA, while the Fund is not allowed to invest in any security exceeding six months of maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

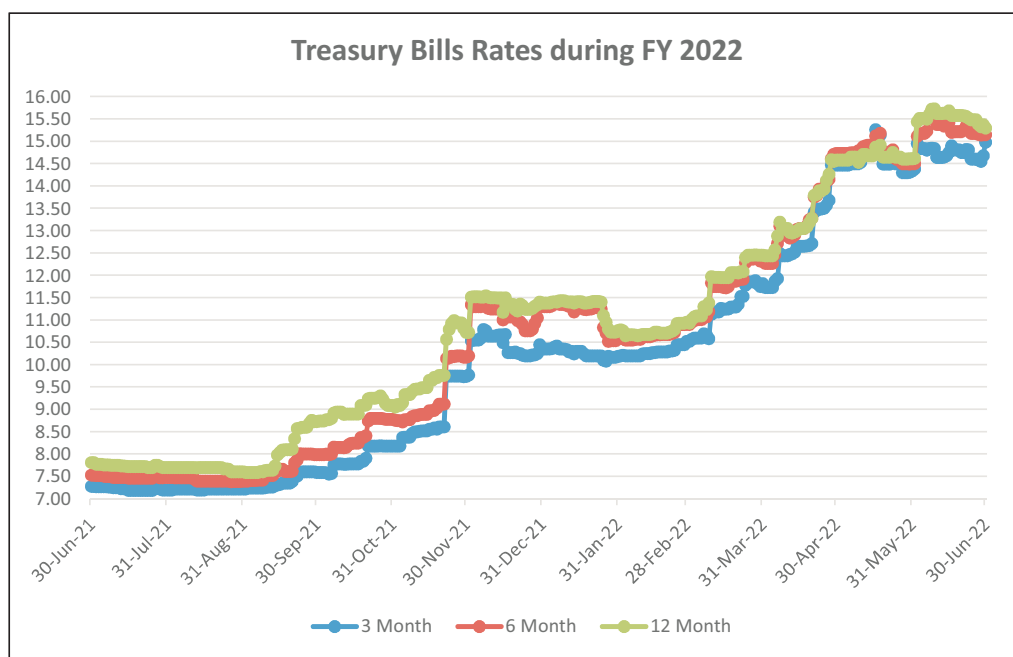
During FY22, State Bank of Pakistan (SBP) held eight (8) Monetary Policy meetings and increased the discount rate from 8% to 14.75% - to counter inflationary pressures, ensure economic sustainability and safeguard external & price stability; owing to significant domestic political noise and global uncertainty. 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 |
|--------------------------------------|-------------|-------------|
| Placements with Banks & DFIs | 1.9% | - |
| Cash, Bank Placements & Other Assets | 98.1% | 100% |
| Total | 100% | 100% |

T-Bills yields during the year are shown in the 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 | 0.526% | 9.9512 | 9.8986 |
| Aug-21 | 1.243% | 10.0229 | 9.8986 |
| Sep-21 | 0.682% | 9.9668 | 9.8986 |
| Oct-21 | 0.585% | 9.9571 | 9.8986 |
| Nov-21 | 0.636% | 9.9622 | 9.8986 |
| Dec-21 | 0.867% | 9.9853 | 9.8986 |
| Jan-22 | 0.881% | 9.9867 | 9.8986 |
| Feb-22 | 0.762% | 9.9748 | 9.8986 |
| Mar-22 | 0.980% | 9.9966 | 9.8986 |
| Apr-22 | 0.947% | 9.9933 | 9.8986 |
| May-22 | 1.073% | 10.0059 | 9.8986 |
| Jun-22 | 1.237% | 10.0223 | 9.8986 |

Unit Holding Pattern of NBP Money Market Fund as on June 30, 2022

| Size of Unit Holding (Units) | # of Unit Holders |
|------------------------------|-------------------|
| 1-1000 | 3,143 |
| 1001-5000 | 284 |
| 5001-10000 | 94 |
| 10001-50000 | 286 |
| 50001-100000 | 209 |
| 100001-500000 | 465 |
| 500001-1000000 | 114 |
| 1000001-5000000 | 165 |
| 5000001-10000000 | 55 |
| 10000001-100000000 | 91 |
| 100000001-1000000000 | 8 |
| Total | 4,914 |

During the period under question:

There has been no significant change in the state of affairs of the Fund. NBP Money Market 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 Money Market Fund amounting to Rs. 180.33 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 Money Market Fund by 0.69% 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

To the Unit holders of NBP Money Market Fund

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|---|
| 1 | Net Asset Value (Refer note 4 to the annexed financial statements) | |
| | <p>Bank balances constitute the most significant component of the net asset value (NAV). Bank balances of the Fund as at June 30, 2022 amounted to Rs. 50,077.359 million.</p> <p>The existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.</p> | <p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">obtained independent confirmations for verifying the existence of bank balances as at June 30, 2022 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; andobtained bank reconciliation statements and tested reconciling items on a sample basis. |

Other Matter

The financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion thereon vide their report dated September 30, 2021.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Date: September 28, 2022

UDIN : AR202210061hzdM5vEy1

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2022

| | Note | 2022 ----- Rupees in '000 ----- | 2021 ----- Rupees in '000 ----- |
|---|------|------------------------------------|------------------------------------|
| ASSETS | | | |
| Bank balances | 4 | 50,077,359 | 21,923,169 |
| Investments | 5 | 1,000,000 | - |
| Profit receivable | 6 | 253,663 | 42,732 |
| Deposit and prepayment | 7 | 412 | 361 |
| Receivable against transfer of units | | 10,466 | - |
| Total assets | | 51,341,900 | 21,966,262 |
| LIABILITIES | | | |
| Payable to NBP Fund Management Limited - the Management Company | 8 | 78,731 | 61,594 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | 9 | 2,003 | 1,150 |
| Payable to the Securities and Exchange Commission of Pakistan | 10 | 5,882 | 5,308 |
| Payable against redemption of units | | 79,629 | 78,515 |
| Accrued expenses and other liabilities | 11 | 68,604 | 196,595 |
| Total liabilities | | 234,849 | 343,162 |
| NET ASSETS | | 51,107,051 | 21,623,100 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 51,107,051 | 21,623,100 |
| CONTINGENCIES AND COMMITMENTS | 12 | | |
| ----- Number of units ----- | | | |
| NUMBER OF UNITS IN ISSUE | 13 | 5,146,177,660 | 2,184,470,844 |
| ----- Rupees ----- | | | |
| NET ASSET VALUE PER UNIT | 14 | 9.9311 | 9.8986 |

The annexed notes from 1 to 30 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 on letters of placement | 342,807 | 115,107 |
| Profit on bank balances | 2,568,976 | 798,076 |
| Income on government securities | 319,979 | 971,528 |
| Income on certificates of investments | 3,863 | 60,156 |
| Income on term deposit receipts | 24,082 | - |
| Loss on sale of investments | <u>(4,750)</u> | <u>(20,891)</u> |
| Total income | 3,254,957 | 1,923,976 |
| EXPENSES | | |
| Remuneration of NBP Fund Management Limited - the Management Company | 8.1 45,195 | 39,815 |
| Sindh sales tax on remuneration of the Management Company | 8.2 5,875 | 5,176 |
| Reimbursement of allocated expenses | 8.3 36,763 | 30,571 |
| Reimbursement of selling and marketing expenses | 8.4 16,898 | 90,569 |
| Remuneration of Central Depository Company of Pakistan Limited - the Trustee | 9.1 16,781 | 17,252 |
| Sindh sales tax on remuneration of the Trustee | 9.2 2,181 | 2,243 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10.1 5,882 | 5,308 |
| Auditors' remuneration | 15 811 | 805 |
| Legal and professional charges | 279 | 207 |
| Annual rating fee | 519 | 498 |
| Printing charges | 97 | 82 |
| Annual listing fee | 25 | 28 |
| Settlement and bank charges | 782 | 746 |
| Total expenses | 132,088 | 193,300 |
| Net income from operating activities | 3,122,869 | 1,730,676 |
| Reversal of provision / (provision) against Sindh Workers' Welfare Fund | 11.1 176,440 | (34,613) |
| Net income for the year before taxation | 3,299,309 | 1,696,063 |
| Taxation | 17 - | - |
| Net income for the year after taxation | 3,299,309 | 1,696,063 |
| Earnings per unit | 18 | |
| Allocation of net income for the year: | | |
| Net income for the year after taxation | 3,299,309 | 1,696,063 |
| Income already paid on units redeemed | <u>(1,100,207)</u> | <u>(216,218)</u> |
| | 2,199,102 | 1,479,845 |
| Accounting income available for distribution: | | |
| - Relating to capital gains | - | - |
| - Excluding capital gains | <u>2,199,102</u> | <u>1,479,845</u> |
| | 2,199,102 | 1,479,845 |

The annexed notes from 1 to 30 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 | 3,299,309 | 1,696,063 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u><u>3,299,309</u></u> | <u><u>1,696,063</u></u> |

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

| | 2022 | | | 2021 | | |
|--|-------------------|----------------------|-------------------|-------------------|----------------------|-------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | Rupees in '000 | | | | | |
| Net assets at the beginning of the year | 21,419,815 | 203,285 | 21,623,100 | 28,065,892 | 170,271 | 28,236,163 |
| Issuance of 18,664,543,232 units (2021: 6,621,757,588 units) | | | | | | |
| - Capital value (at ex-net asset value per unit) | 184,752,848 | - | 184,752,848 | 65,439,519 | - | 65,439,519 |
| - Element of income | 1,155,568 | - | 1,155,568 | 194,574 | - | 194,574 |
| Total proceeds on issuance of units | 185,908,416 | - | 185,908,416 | 65,634,093 | - | 65,634,093 |
| Redemption of 15,702,836,415 units (2021: 7,294,486,581 units) | | | | | | |
| - Capital value (at ex-net asset value per unit) | (155,436,097) | - | (155,436,097) | (72,087,764) | - | (72,087,764) |
| - Element of loss | (99,350) | (1,100,207) | (1,199,557) | (10,996) | (216,218) | (227,214) |
| Total payments on redemption of units | (155,535,447) | (1,100,207) | (156,635,654) | (72,098,760) | (216,218) | (72,314,978) |
| Total comprehensive income for the year | - | 3,299,309 | 3,299,309 | - | 1,696,063 | 1,696,063 |
| Cash distribution during the year ended June 30, 2021 | | | | | | |
| - @ Re. 0.0390 per unit declared on July 28, 2020 | - | - | - | (21,334) | (114,110) | (135,444) |
| - @ Re. 0.0467 per unit declared on August 28, 2020 | - | - | - | (11,246) | (123,698) | (134,944) |
| - @ Re. 0.0534 per unit declared on September 28, 2020 | - | - | - | (20,360) | (159,417) | (179,777) |
| - @ Re. 0.0532 per unit declared on October 27, 2020 | - | - | - | (15,419) | (135,246) | (150,665) |
| - @ Re. 0.0511 per unit declared on November 26, 2020 | - | - | - | (12,813) | (132,894) | (145,707) |
| - @ Re. 0.0482 per unit declared on December 23, 2020 | - | - | - | (24,846) | (118,479) | (143,325) |
| - @ Re. 0.0650 per unit declared on January 27, 2021 | - | - | - | (15,590) | (174,173) | (189,763) |
| - @ Re. 0.0482 per unit declared on February 24, 2021 | - | - | - | (9,048) | (99,698) | (108,746) |
| - @ Re. 0.0541 per unit declared on March 26, 2021 | - | - | - | (10,835) | (101,778) | (112,613) |
| - @ Re. 0.0618 per unit declared on April 27, 2021 | - | - | - | (15,808) | (119,013) | (134,821) |
| - @ Re. 0.0519 per unit declared on May 26, 2021 | - | - | - | (10,602) | (79,861) | (90,463) |
| - @ Re. 0.0531 per unit declared on June 23, 2021 | - | - | - | (13,509) | (88,464) | (101,973) |
| | - | - | - | (181,410) | (1,446,831) | (1,628,241) |
| Cash distribution during the year ended June 30, 2022 | | | | | | |
| - @ Re. 0.0526 per unit declared on July 28, 2021 | (10,221) | (94,342) | (104,563) | - | - | - |
| - @ Re. 0.1243 per unit declared on August 26, 2021 | (108,558) | (199,514) | (308,072) | - | - | - |
| - @ Re. 0.0682 per unit declared on September 28, 2021 | (15,706) | (154,786) | (170,492) | - | - | - |
| - @ Re. 0.0585 per unit declared on October 26, 2021 | (45,741) | (98,424) | (144,165) | - | - | - |
| - @ Re. 0.0636 per unit declared on November 26, 2021 | (51,970) | (103,281) | (155,251) | - | - | - |
| - @ Re. 0.0867 per unit declared on December 28, 2021 | (108,445) | (147,331) | (255,776) | - | - | - |
| - @ Rs. 0.0881 declared on January 27, 2022 | (45,504) | (163,321) | (208,825) | - | - | - |
| - @ Rs. 0.0762 declared on February 24, 2022 | (73,235) | (145,226) | (218,461) | - | - | - |
| - @ Rs. 0.0980 declared on March 29, 2022 | (156,172) | (197,684) | (353,856) | - | - | - |
| - @ Rs. 0.0947 declared on April 27, 2022 | (150,692) | (209,561) | (360,253) | - | - | - |
| - @ Rs. 0.1073 declared on May 26, 2022 | (82,659) | (232,380) | (315,039) | - | - | - |
| - @ Rs. 0.1237 declared on June 24, 2022 | (167,630) | (325,737) | (493,367) | - | - | - |
| | (1,016,533) | (2,071,587) | (3,088,120) | - | - | - |
| Net assets at the end of the year | 50,776,251 | 330,800 | 51,107,051 | 21,419,815 | 203,285 | 21,623,100 |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 203,285 | | | 170,271 | |
| - Unrealised income | | - | | | - | |
| | | 203,285 | | | 170,271 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | - | | | - | |
| - Excluding capital gains | | 2,199,102 | | | 1,479,845 | |
| | | 2,199,102 | | | 1,479,845 | |
| Interim distributions during the year | | (2,071,587) | | | (1,446,831) | |
| Undistributed income carried forward | | 330,800 | | | 203,285 | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 330,800 | | | 203,285 | |
| - Unrealised income | | - | | | - | |
| | | 330,800 | | | 203,285 | |
| | | | Rupees | | | Rupees |
| Net asset value per unit at the beginning of the year | | | <u>9.8986</u> | | | <u>9.8825</u> |
| Net asset value per unit at the end of the year | | | <u>9.9311</u> | | | <u>9.8986</u> |

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

| | 2022 | 2021 |
|--|-----------------------------|--------------------|
| Note | ----- Rupees in '000 ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 3,299,309 | 1,696,063 |
| Adjustments: | | |
| Income on letters of placement | (342,807) | (115,107) |
| Profit on bank balances | (2,568,976) | (798,076) |
| Income on government securities | (319,979) | (971,528) |
| Income on certificate of investments | (3,863) | (60,156) |
| Income on term deposit receipts | (24,082) | - |
| Loss on sale of investment | 4,750 | 20,891 |
| (Reversal of provision) / provision against Sindh Workers' Welfare Fund | (176,440) | 34,613 |
| | <u>(3,431,397)</u> | <u>(1,889,363)</u> |
| | (132,088) | (193,300) |
| Decrease / (increase) in assets | | |
| Investments - net | (4,750) | 6,022,836 |
| Deposits and prepayments | (51) | (24) |
| | (4,801) | 6,022,812 |
| Increase / (decrease) in liabilities | | |
| Payable to NBP Fund Management Limited - the Management Company | 17,137 | (48,729) |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | 853 | (574) |
| Payable to the Securities and Exchange Commission of Pakistan | 574 | (422) |
| Accrued expenses and other liabilities | 48,449 | (10,360) |
| | 67,013 | (60,085) |
| Profit received on bank balances, term deposit receipts, certificates of investments, government securities and letters of placement | 3,048,776 | 1,919,570 |
| Net cash generated from operating activities | <u>2,978,900</u> | <u>7,688,997</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net receipts from issuance of units - net of refund of capital | 184,881,417 | 65,571,500 |
| Net payments against redemption of units | (156,634,540) | (72,319,431) |
| Cash distributions paid | (2,071,587) | (1,446,831) |
| Net cash generated from financing activities | 26,175,290 | (8,194,762) |
| Net increase in cash and cash equivalents during the year | <u>29,154,190</u> | <u>(505,765)</u> |
| Cash and cash equivalents at the beginning of the year | 21,923,169 | 22,428,934 |
| Cash and cash equivalents at the end of the year | <u>20</u> <u>51,077,359</u> | <u>21,923,169</u> |

The annexed notes from 1 to 30 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 Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 4, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 14, 2011.
- 1.2 During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the 'Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.
- 1.4 The Fund is an open-ended mutual fund categorised as money market scheme and is listed on the 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.
- 1.5 The investment objective of the Fund is to generate stable income stream for its unit holders while ensuring capital preservation by investing in AA and above rated banks and money market instruments.
- 1.6 The Pakistan Credit Rating Agency (PACRA) has reaffirmed the asset manager rating of the Management Company of AM1 on June 22, 2022 (2021: AM1 on June 23, 2021). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has reaffirmed the stability rating of the Fund at AA(f) on April 19, 2022 (2021: AA(f) on April 16, 2021).
- 1.7 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

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 as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

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

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

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

2.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

Debt instruments

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

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

based on the business model of the entity.

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

3.2.3 Impairment

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

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

3.2.4 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has been placed on the Management Company's website as required under the SECP's circular.

3.2.5 Regular way contracts

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

3.2.6 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

Provisions are 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.

3.6 Net asset value per unit

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

3.7 Issuance and redemption of units

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

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

3.8 Distributions to unit holders

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

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

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

3.10 Revenue recognition

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

- Profit on bank balances, investments in government securities, letters of placement, certificates of investments and term deposit receipts is recognised on an accrual basis using effective interest method.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.12 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders in cash.

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

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earning per unit is not practicable as disclosed in note 17.

3.14 Foreign currency translation

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

| 4 | BANK BALANCES | Note | 2022 | 2021 |
|---|-------------------------|------|----------------------------|-------------------|
| | | | ----- Rupees in '000 ----- | |
| | Balances with banks in: | | | |
| | Saving accounts | 4.1 | 50,077,167 | 21,914,868 |
| | Current accounts | 4.2 | 192 | 8,301 |
| | | | <u>50,077,359</u> | <u>21,923,169</u> |

4.1 These include a balance of Rs. 3.936 million (2021: Rs. 1.074 million) maintained with BankIslami Pakistan Limited (a related party) and balances of Rs 3.569 million (2021: Rs 2.434 million) maintained with the National Bank of Pakistan (a related party) that carry profit at the rate of 15.25% (2021: 5.50%) per annum and 12.25% (2021: 3.75%) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 6.5% to 18.28% (2021: 4.5% to 8%) per annum.

4.2 These include balance of Rs. 0.166 million (2021: Rs. 0.166 million), maintained with National Bank of Pakistan (a related party).

| 5 | INVESTMENTS | Note | 2022 | 2021 |
|---|---|------|----------------------------|----------|
| | | | ----- Rupees in '000 ----- | |
| | At fair value through profit or loss | | | |
| | Government securities - Market Treasury Bills | 5.1 | - | - |
| | Letters of placement | 5.2 | - | - |
| | Term deposit receipts | 5.3 | 1,000,000 | - |
| | Certificates of investments | 5.4 | - | - |
| | | | <u>1,000,000</u> | <u>-</u> |

NBP MONEY MARKET FUND



5.1 Government securities - Market Treasury Bills

| Issue date | Tenor in months | Face value | | | | Carrying value as at June 30, 2022 | Market value as at June 30, 2022 | Unrealised appreciation | Market value as a percentage of | |
|----------------------------------|-----------------|---------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|-------------------------|---------------------------------|------------------------|
| | | As at July 01, 2021 | Purchased during the year | Sold / matured during the year | As at June 30, 2022 | | | | total investments of the Fund | net assets of the Fund |
| ----- Rupees in '000 ----- | | | | | | | | ----- (%) ----- | | |
| May 6, 2021 | 6 | - | 3,300,000 | 3,300,000 | - | - | - | - | - | |
| May 20, 2021 | 6 | - | 2,186,020 | 2,186,020 | - | - | - | - | - | |
| June 3, 2021 | 6 | - | 7,458,000 | 7,458,000 | - | - | - | - | - | |
| June 17, 2021 | 6 | - | 8,500,000 | 8,500,000 | - | - | - | - | - | |
| July 2, 2021 | 3 | - | 6,940,000 | 6,940,000 | - | - | - | - | - | |
| July 15, 2021 | 3 | - | 500,000 | 500,000 | - | - | - | - | - | |
| July 29, 2021 | 3 | - | 500,000 | 500,000 | - | - | - | - | - | |
| August 12, 2021 | 3 | - | 500,000 | 500,000 | - | - | - | - | - | |
| August 12, 2021 | 6 | - | 500,000 | 500,000 | - | - | - | - | - | |
| August 26, 2021 | 6 | - | 500,000 | 500,000 | - | - | - | - | - | |
| September 23, 2021 | 3 | - | 1,180,000 | 1,180,000 | - | - | - | - | - | |
| October 7, 2021 | 3 | - | 1,000,000 | 1,000,000 | - | - | - | - | - | |
| October 21, 2021 | 3 | - | 1,000,000 | 1,000,000 | - | - | - | - | - | |
| November 4, 2021 | 3 | - | 1,636,000 | 1,636,000 | - | - | - | - | - | |
| December 2, 2021 | 6 | - | 1,000,000 | 1,000,000 | - | - | - | - | - | |
| December 2, 2021 | 3 | - | 5,425,000 | 5,425,000 | - | - | - | - | - | |
| December 16, 2021 | 3 | - | 10,808,000 | 10,808,000 | - | - | - | - | - | |
| December 30, 2021 | 6 | - | 15,100,000 | 15,100,000 | - | - | - | - | - | |
| December 30, 2021 | 3 | - | 17,097,000 | 17,097,000 | - | - | - | - | - | |
| January 13, 2022 | 3 | - | 1,000,000 | 1,000,000 | - | - | - | - | - | |
| January 27, 2022 | 6 | - | 2,500,000 | 2,500,000 | - | - | - | - | - | |
| January 27, 2022 | 3 | - | 3,700,000 | 3,700,000 | - | - | - | - | - | |
| February 10, 2022 | 3 | - | 9,385,000 | 9,385,000 | - | - | - | - | - | |
| February 24, 2022 | 3 | - | 5,784,000 | 5,784,000 | - | - | - | - | - | |
| March 10, 2022 | 3 | - | 9,100,000 | 9,100,000 | - | - | - | - | - | |
| April 28, 2022 | 3 | - | 700,000 | 700,000 | - | - | - | - | - | |
| Total as at June 30, 2022 | | | | | | | | - | - | |
| Total as at June 30, 2021 | | | | | | | | - | - | |

5.2 Letters of placement

| Name of the investee company | Rating | Maturity date | Profit rate | Amount placed | | As at June 30, 2022 | Carrying value as at June 30, 2022 | Market value as at June 30, 2022 | Unrealised appreciation | Market value as a percentage of | | | |
|---|------------|-------------------|-------------|---------------------------|-------------------------|---------------------|------------------------------------|----------------------------------|-------------------------|---------------------------------|------------------------|------|---|
| | | | | Purchased during the year | Matured during the year | | | | | total investments of the Fund | net assets of the Fund | | |
| | | | | | | | | | | (Rupees in '000) | | (%) | |
| DEVELOPMENT FINANCE INSTITUTIONS | | | | | | | | | | | | | |
| PAIR Investment Company Limited | AA, PACRA | November 1, 2021 | 7.50% | 500,000 | 500,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | November 1, 2021 | 7.40% | 1,000,000 | 1,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | November 5, 2021 | 7.50% | 1,000,000 | 1,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | November 12, 2021 | 7.38% | 1,500,000 | 1,500,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | November 12, 2021 | 7.45% | 400,000 | 400,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | November 12, 2021 | 7.55% | 1,000,000 | 1,000,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | November 19, 2021 | 7.43% | 2,000,000 | 2,000,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | November 23, 2021 | 7.50% | 500,000 | 500,000 | - | - | - | - | - | - | | |
| Pak Brunei Investment Company Limited | AA+, VIS | November 23, 2021 | 7.50% | 1,500,000 | 1,500,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | November 26, 2021 | 9.00% | 1,900,000 | 1,900,000 | - | - | - | - | - | - | | |
| Pak Brunei Investment Company Limited | AA+, VIS | November 29, 2021 | 9.15% | 1,500,000 | 1,500,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | December 2, 2021 | 7.60% | 500,000 | 500,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | December 3, 2021 | 7.60% | 500,000 | 500,000 | - | - | - | - | - | - | | |
| Pak Brunei Investment Company Limited | AA+, VIS | December 3, 2021 | 9.15% | 2,500,000 | 2,500,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | December 6, 2021 | 7.60% | 500,000 | 500,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | December 6, 2021 | 9.05% | 1,900,000 | 1,900,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | December 10, 2021 | 9.10% | 2,000,000 | 2,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | December 10, 2021 | 9.10% | 1,000,000 | 1,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | December 10, 2021 | 9.10% | 1,500,000 | 1,500,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | December 10, 2021 | 9.15% | 1,000,000 | 1,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | December 13, 2021 | 9.05% | 2,000,000 | 2,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | December 13, 2021 | 9.20% | 2,000,000 | 2,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | December 14, 2021 | 9.37% | 2,500,000 | 2,500,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | December 14, 2021 | 9.35% | 2,000,000 | 2,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | December 15, 2021 | 9.60% | 2,500,642 | 2,500,642 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | December 15, 2021 | 9.55% | 2,000,000 | 2,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | January 31, 2022 | 10.23% | 2,300,000,000 | 2,300,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | January 26, 2022 | 10.23% | 2,000,000,000 | 2,000,000,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | January 31, 2022 | 10.10% | 3,000,000,000 | 3,000,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | February 11, 2022 | 10.10% | 750,000,000 | 750,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | February 14, 2022 | 10.10% | 2,313,524,000 | 2,313,524,000 | - | - | - | - | - | - | | |
| Pak Brunei Investment Company Limited | AA+, VIS | March 3, 2022 | 10.15% | 2,300,000,000 | 2,300,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | February 18, 2022 | 10.10% | 1,500,000,000 | 1,500,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | February 21, 2022 | 10.10% | 2,322,486,529 | 2,322,486,529 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | February 18, 2022 | 10.15% | 500,000,000 | 500,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | February 25, 2022 | 10.07% | 2,000,000,000 | 2,000,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | February 28, 2022 | 10.10% | 2,300,000,000 | 2,300,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | March 4, 2022 | 10.07% | 2,000,000,000 | 2,000,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | March 10, 2022 | 10.15% | 3,000,000,000 | 3,000,000,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | March 11, 2022 | 10.10% | 3,400,000,000 | 3,400,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | March 11, 2022 | 10.10% | 2,000,000,000 | 2,000,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | March 14, 2022 | 10.10% | 3,008,342,465 | 3,008,342,465 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | March 14, 2022 | 10.05% | 3,400,000,000 | 3,400,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | March 14, 2022 | 10.05% | 2,000,000,000 | 2,000,000,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | March 15, 2022 | 10.45% | 3,400,000,000 | 3,400,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | March 15, 2022 | 10.40% | 3,011,672,247 | 3,011,672,247 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | March 17, 2022 | 10.60% | 3,400,000,000 | 3,400,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | March 17, 2022 | 10.50% | 6,512,530,367 | 6,512,530,367 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | April 15, 2022 | 10.50% | 3,500,000,000 | 3,500,000,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | April 8, 2022 | 10.20% | 1,000,000,000 | 1,000,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | April 12, 2022 | 12.40% | 3,506,913,699 | 3,506,913,699 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | April 12, 2022 | 12.45% | 1,001,956,164 | 1,001,956,164 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | April 21, 2022 | 12.50% | 3,511,679,258 | 3,511,679,258 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | April 15, 2022 | 12.45% | 1,003,323,217 | 1,003,323,217 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | April 20, 2022 | 12.45% | 750,000,000 | 750,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | April 22, 2022 | 12.65% | 2,800,000,000 | 2,800,000,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | April 29, 2022 | 12.50% | 2,404,349,905 | 2,404,349,905 | - | - | - | - | - | - | | |
| Pak Brunei Investment Company Limited | AA+, VIS | April 25, 2022 | 12.35% | 800,000,000 | 800,000,000 | - | - | - | - | - | - | | |
| Pak Brunei Investment Company Limited | AA+, VIS | May 6, 2022 | 12.50% | 3,522,502,927 | 3,522,502,927 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | May 6, 2022 | 12.65% | 2,800,000,000 | 2,800,000,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | May 9, 2022 | 12.55% | 1,800,000,000 | 1,800,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | May 13, 2022 | 12.80% | 3,300,000,000 | 3,300,000,000 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | May 13, 2022 | 12.70% | 3,607,357,808 | 3,607,357,808 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | May 20, 2022 | 12.85% | 3,300,000,000 | 3,300,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | May 24, 2022 | 12.85% | 2,600,000,000 | 2,600,000,000 | - | - | - | - | - | - | | |
| Pak Brunei Investment Company Limited | AA+, VIS | May 24, 2022 | 13.00% | 3,500,000,000 | 3,500,000,000 | - | - | - | - | - | - | | |
| Pak Kuwait Investment Company (Private) Limited | AAA, PACRA | May 27, 2022 | 14.05% | 3,010,068,767 | 3,010,068,767 | - | - | - | - | - | - | | |
| Pak Oman Investment Company Limited | AA+, VIS | May 27, 2022 | 14.10% | 3,000,000,000 | 3,000,000,000 | - | - | - | - | - | - | | |
| PAIR Investment Company Limited | AA, PACRA | May 27, 2022 | 14.15% | 1,000,000,000 | 1,000,000,000 | - | - | - | - | - | - | | |
| Total as at June 30, 2022 | | | | | | | | | | - | - | - | - |
| Total as at June 30, 2021 | | | | | | | | | | - | - | - | - |

5.3 Term deposit receipts

| Name of the bank | Rating | Maturity date | Profit rate | As at July 1, 2021 | Purchased during the year | Matured during the year | Carrying value as at June 30, 2022 | Carrying value as at June 30, 2022 | Market value as at June 30, 2022 | Unrealised appreciation | Market value as a percentage of | |
|----------------------------------|------------|------------------|-------------|--------------------|---------------------------|-------------------------|------------------------------------|------------------------------------|----------------------------------|-------------------------|---------------------------------|------------------------|
| | | | | | | | | | | | total investments of the Fund | net assets of the Fund |
| (Rupees in '000) | | | | | | | | | | | % | |
| COMMERCIAL BANKS | | | | | | | | | | | | |
| Bank Alfalah Limited | AA+, PACRA | October 29, 2021 | 9% | - | 2,000,000 | 2,000,000 | - | - | - | - | - | - |
| Bank Alfalah Limited | AA+, PACRA | July 8, 2022 | 17% | - | 1,000,000 | - | 1,000,000 | 1,000,000 | 1,000,000 | - | 100.00% | 1.96% |
| Total as at June 30, 2022 | | | | | | | | 1,000,000 | 1,000,000 | - | 100.00% | 1.96% |
| Total as at June 30, 2021 | | | | | | | | - | - | - | - | - |

5.4 Certificates of investments

| Name of the investee company | Rating | Maturity date | Profit rate | As at July 1, 2021 | Purchased during the year | Matured during the year | As at June 30, 2022 | Carrying value as at June 30, 2022 | Market value as at June 30, 2022 | Unrealised appreciation | Market value as a percentage of | |
|-------------------------------------|----------|----------------|-------------|--------------------|---------------------------|-------------------------|---------------------|------------------------------------|----------------------------------|-------------------------|---------------------------------|------------------------|
| | | | | | | | | | | | total investments of the Fund | net assets of the Fund |
| (Rupees in '000) | | | | | | | | | | | % | |
| Pak Oman Investment Company Limited | AA+, VIS | April 18, 2022 | 11.75% | - | 375 | 375 | - | - | - | - | - | - |
| Total as at June 30, 2022 | | | | | | | | - | - | - | - | - |
| Total as at June 30, 2021 | | | | | | | | - | - | - | - | - |

6 PROFIT RECEIVABLE

| Note | 2022 | 2021 |
|--|----------------|---------------|
| | Rupees in '000 | |
| Profit receivable on bank balances | 243,882 | 42,732 |
| Profit receivable on term deposit receipts | 9,781 | - |
| | <u>253,663</u> | <u>42,732</u> |

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | | |
|---|------------|------------|
| Security deposit with Central Depository Company Limited* | 100 | 100 |
| Prepaid annual rating fee | 312 | 261 |
| | <u>412</u> | <u>361</u> |

*related party balance

| 8 | PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY | Note | 2022 ----- Rupees in '000 ----- | 2021 ----- |
|---|--|------|------------------------------------|---------------|
| | Remuneration payable to the Management Company | 8.1 | 5,276 | 2,349 |
| | Sindh sales tax payable on remuneration of the Management Company | 8.2 | 686 | 305 |
| | Reimbursement of allocated expenses payable | 8.3 | 11,640 | 6,040 |
| | Reimbursement of selling and marketing expenses payable | 8.4 | 10,714 | 7,247 |
| | Sales load and transfer load payable | | 5,147 | 1,046 |
| | Sindh sales tax payable on sales load | | 666 | 136 |
| | Federal Excise Duty on remuneration of the Management Company and sales load | 8.5 | 44,418 | 44,418 |
| | ADC charges payable including Sindh sales tax | | 184 | 53 |
| | | | 78,731 | 61,594 |

- 8.1** As per regulation 61 of the NBFC Regulations, 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 its remuneration at the rate of 1% (2021: 1%) on net income, subject to floor and capping of 0.15% and 1% (2021: 0.15% and 1%) per annum of the average net assets of the Fund during the year ended June 30, 2022. The remuneration is payable to the Management Company monthly in arrears.
- 8.2** During the period, an amount of Rs. 5.875 million (2021: Rs. 5.176 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2021: 13%).
- 8.3** In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

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

| 2022 | 2021 | |
|--|---|--|
| Rate applicable from July 1, 2021 to June 30, 2022 | Rate applicable from July 1, 2020 to October 26, 2020 | Rate applicable from October 27, 2020 to June 30, 2021 |
| 0.125% of average annual net assets | 0.1% of average annual net assets | 0.125% of average annual net assets |

- 8.4** 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 following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008.

| 2022 | | | | | 2021 | | | | |
|------------------------------------|------------------------------------|--------------------------------------|------------------------------------|------------------------------------|---|---|--|--|--------------------------------------|
| From July 1, 2021 to July 7, 2021 | From July 8, 2021 to July 25, 2021 | From July 26, 2021 to April 12, 2022 | From April 13, 2022 to May 8, 2022 | From May 9, 2022 to June 30, 2022 | From July 1, 2020 to September 13, 2020 | From September 14, 2020 to October 26, 2020 | From October 27, 2020 to November 23, 2020 | From November 24, 2020 to March 29, 2021 | From March 30, 2021 to June 30, 2021 |
| 0.15% of average annual net assets | 0% of average annual net assets | 0.03% of average annual net assets | 0.08% of average annual net assets | 0.15% of average annual net assets | 0.5% of average annual net assets | 0.4% of average annual net assets | 0.35% of average annual net assets | 0.3% of average annual net assets | 0.15% of average annual net assets |

- 8.5 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs. 44.418 million (2021: Rs. 44.418 million) is being retained in these financial statements of the Fund as the matter is pending before the SHC. Had the provision for FED not been made, the net asset value per unit of the Fund as at June 30, 2022 would have been higher by Re 0.0086 (2021: Re 0.0203) per unit.

| 9 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY | Note | 2022 | 2021 |
|---|---|------|----------------------------|--------------|
| | | | ----- Rupees in '000 ----- | |
| | Trustee fee payable | 9.1 | 1,773 | 1,018 |
| | Sindh sales tax payable on trustee fee | 9.2 | 230 | 132 |
| | | | <u>2,003</u> | <u>1,150</u> |

- 9.1 The Trustee is entitled to monthly remuneration of 0.065% from July 1, 2021 till September 30, 2021 and 0.055% from October 1, 2021 till June 30, 2022 (2021: 0.065%) per annum of net assets for services rendered to the Fund under the provisions of the Trust Deed.

- 9.2 During the year, an amount of Rs. 2.181 million (2021: Rs. 2.243 million) was charged on account of Sindh sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2021: 13%).

| 10 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2022 | 2021 |
|----|---|------|----------------------------|--------------|
| | | | ----- Rupees in '000 ----- | |
| | Annual fee payable | 10.1 | <u>5,882</u> | <u>5,308</u> |

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

| 11 | ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2022 | 2021 |
|----|---|------|----------------------------|----------------|
| | | | ----- Rupees in '000 ----- | |
| | Auditors' remuneration | | 772 | 782 |
| | Provision for Sindh Workers' Welfare Fund | 11.1 | - | 176,440 |
| | Withholding tax | | 41,064 | 11,126 |
| | Capital gain tax | | 19,248 | 808 |
| | Legal and professional charges payable | | 90 | 81 |
| | Bank charges payable | | 183 | 91 |
| | Printing charges payable | | 58 | 78 |
| | Other payables | | 7,189 | 7,189 |
| | | | <u>68,604</u> | <u>196,595</u> |

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF recognised in the financial statements of the Fund, 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 vide its circular dated August 30, 2021. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

12 CONTINGENCIES AND COMMITMENTS

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

| 13 | NUMBER OF UNITS IN ISSUE | 2022 | 2021 |
|----|---|----------------------------|----------------------|
| | | ----- Rupees in '000 ----- | |
| | Total units in issue at the beginning of the year | 2,184,470,844 | 2,857,199,837 |
| | Units issued during the year | 18,664,543,232 | 6,621,757,588 |
| | Less: units redeemed during the year | (15,702,836,415) | (7,294,486,581) |
| | Total units in issue at the end of the year | <u>5,146,177,660</u> | <u>2,184,470,844</u> |

14 NET ASSET VALUE PER UNIT

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

| | 2022 | 2021 |
|--|----------------------------|------|
| | ----- Rupees in '000 ----- | |
| 15 AUDITORS' REMUNERATION | | |
| Annual audit fee | 435 | 435 |
| Half yearly review | 170 | 170 |
| Other certification | 100 | - |
| Out of pocket and Sindh sales tax expenses | 106 | 200 |
| | 811 | 805 |

16 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at June 30, 2022 is 0.45% (2021: 0.86%) which includes 0.05% (2021: 0.18%) representing government levy including sales tax and the SECP fee. The prescribed limit for the ratio is 2% (2021: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an money market scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders in the manners as explained above, no provision for taxation has been made in these financial statements.

The Fund is also exempt from the provision of Section 113 (minimum tax) under 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 the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

19.1 Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

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

19.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

19.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

NBP MONEY MARKET FUND



19.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

| | 2022 | 2021 |
|--|----------------------------|-----------|
| | ----- Rupees in '000 ----- | |
| NBP Fund Management Limited - the Management Company | | |
| Remuneration of the Management Company | 45,195 | 39,815 |
| Sindh sales tax on remuneration of the Management Company | 5,875 | 5,176 |
| Reimbursement of allocated expenses | 36,763 | 30,571 |
| Reimbursement of selling and marketing expenses | 16,898 | 90,569 |
| Sales load and transfer load | 6,064 | 412 |
| ADC charges including Sindh Sales Tax | 168 | 100,696 |
| Dividend re-invest units issued: 1,046,115 units (2021: 46,203 units) | 10,359 | 457 |
| Units issued: 162,302,160 units (2021: 27,807,991 units) | 1,607,377 | 275,000 |
| Units redeemed: 147,421,388 units (2021: 6,844,076 units) | 1,467,850 | 68,000 |
| Central Depository Company of Pakistan Limited - the Trustee | | |
| Remuneration of the Trustee | 16,781 | 17,252 |
| Sindh sales tax on remuneration of the Trustee | 2,181 | 2,243 |
| Dividend re-invest units issued: 1,051,974 units (2021: 255,405 units) | 10,416 | 2,525 |
| Units issued: 25,256,122 units (2021: Nil) | 250,000 | - |
| Units redeemed: 26,308,096 units (2021: 24,540,784 units) | 262,273 | 243,516 |
| Employees of the Management Company | | |
| Dividend re-invest units issued: 144,550 units (2021: 38,117 units) | 1,431 | 377 |
| Units issued: 70,501,865 units (2021: 10,806,042 units) | 699,154 | 106,856 |
| Units redeemed: 57,309,178 units (2021: 8,480,847 units) | 571,735 | 83,994 |
| National Clearing Company of Pakistan Limited - common directorship | | |
| Dividend re-invest units issued: Nil (2021: 13,374 units) | - | 132 |
| Units issued: Nil (2021: 14,153,630 units) | - | 139,873 |
| Units redeemed: Nil (2021: 16,966,580 units) | - | 168,390 |
| NBP Financial Sector Income Fund | | |
| Purchase of Treasury Bills | - | 179,758 |
| Sale of Treasury Bills | 984,162 | 998,146 |
| NBP Income opportunity Fund | | |
| Sale of Treasury Bills | - | 776,531 |
| NBP Savings fund | | |
| Sale of Treasury Bills | - | 168,727 |
| National Bank of Pakistan - parent company | | |
| Purchase of Treasury Bills | 13,250,585 | 443,170 |
| Profit on bank balances | 123,555 | 361 |
| NBP Mahana Amdani Fund | | |
| Purchase of Treasury Bills | - | 149,708 |
| Sale of Treasury Bills | - | 1,268,564 |

NBP MONEY MARKET FUND



| | 2022 | 2021 |
|---|----------------------------|------------|
| | ----- Rupees in '000 ----- | |
| Dr. Amjad Waheed - Chief Executive Officer of the Management Company | | |
| Dividend re-invest units issued: 40,586 units (2021: 23,611 units) | 402 | 233 |
| Units issued: 5,051,007 units (2021: 5,514,533 units) | 50,027 | 54,500 |
| Units redeemed: 5,550,899 units (2021: 4,994,388 units) | 55,254 | 49,499 |
| Humayun Bashir - Director of the Management Company | | |
| Dividend re-invest units issued: 74,339 units (2021: 44,414 units) | 736 | 439 |
| Units issued: 9,641,995 units (2021: 7,518,730 units) | 95,453 | 74,315 |
| Units redeemed: 5,561,270 units (2021: 7,563,145 units) | 55,206 | 74,925 |
| Imran Zafar - Director of the Management Company | | |
| Dividend re-invest units issued: 48,215 units (2021: 438 units) | 477 | 4 |
| Units issued: 1,212,306 units (2021: 505,945 units) | 12,000 | 5,000 |
| Units redeemed: 1,377,482 units (2021: Nil units) | 13,704 | - |
| National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company | | |
| Dividend re-invest units issued: Nil (2021: 612 units) | - | 6 |
| Units issued: 25,886,654 units (2021: 24,806,361 units) | 256,260 | 245,170 |
| Units redeemed: 25,459,362 units (2021: 23,176,239 units) | 254,227 | 230,255 |
| Syed Hasan Irtiza Kazmi - Director of the Management Company* | | |
| Dividend re-invest units issued: Nil units (2021: 11,217 units) | - | 111 |
| Units issued: Nil units (2021: 2 units) | - | - |
| Pakistan Stock Exchange Limited * | | |
| Listing fees | - | 28 |
| Fauji Fertilizer Company Limited - common directorship | | |
| Dividend re-invest units issued: 3,297,625 units (2021: 15,647,857 units) | 32,649 | 154,667 |
| Units issued: 7,252,213,481 units (2021: 1,626,617,863 units) | 71,831,177 | 16,075,032 |
| Units redeemed: 6,449,960,866 units (2021: 1,642,265,720 units) | 64,368,509 | 16,270,917 |
| Mutual Funds Association of Pakistan* | | |
| Dividend re-invest units issued: Nil (2021: 1,525 units) | - | 15 |
| Units redeemed: Nil (2021: 61,733 units) | - | 613 |
| Reliance Enterprises - a related party | | |
| Dividend re-invest units issued: 280 units (2021: 157 units) | 3 | 2 |
| Baltoro Partners (Pvt.) Limited - common directorship | | |
| Dividend re-invest units issued: 4,523 units (2021: 6,405 units) | 45 | 371 |
| Units issued: 1 unit (2021: 7 units)** | - | - |
| Units redeemed: 251,446 units (2021: 806,258 units) | 2,500 | 8,000 |
| Portfolios managed by the Management Company | | |
| Dividend re-invest units issued: 6,811,917 units (2021: 608,257 units) | 67,451 | 6,014 |
| Units issued: 1,018,016,128 units (2021: 217,780,819 units) | 10,094,134 | 2,155,025 |
| Units redeemed: 729,578,411 units (2021: 217,493,419 units) | 7,285,764 | 2,157,904 |
| Sale of Treasury Bills | 1,029,311 | 10,953 |
| Purchase of Treasury Bills | 495,471 | - |

| 19.7 | 2022 | 2021 |
|---|----------------------------|---------|
| Amounts outstanding as at year end are as follows: | ----- Rupees in '000 ----- | |
| NBP Fund Management Limited - the Management Company | | |
| Remuneration payable to the Management Company | 5,276 | 2,349 |
| Sindh sales tax on remuneration of the Management Company | 686 | 305 |
| Reimbursement of allocated expenses payable | 11,640 | 6,040 |
| Reimbursement of selling and marketing expenses payable | 10,714 | 7,247 |
| Sales load and transfer load payable | 5,147 | 1,046 |
| Sindh sales tax payable on sales load | 666 | 136 |
| Federal Excise Duty on remuneration of the Management Company and sales load | 44,418 | 44,418 |
| ADC charges payable including Sindh sales tax | 184 | 53 |
| Units held: 36,937,005 units (2021: 21,010,118 units) | 366,825 | 207,971 |
| Central Depository Company of Pakistan Limited - the Trustee | | |
| Trustee remuneration payable | 1,773 | 1,018 |
| Sindh sales tax payable on remuneration of the Trustee | 230 | 132 |
| Security deposit | 100 | 100 |
| Units held: Nil units (2021: Nil) | - | - |
| National Bank of Pakistan - Parent of the Management Company | | |
| Bank balances | 3,735 | 2,600 |
| Profit receivable on bank balances | 218 | 255 |
| BankIslami Pakistan Limited (Common directorship) | | |
| Bank balances | 3,936 | 1,074 |
| Profit receivable on bank balances | 1 | - |
| Dr. Amjad Waheed (Chief Executive Officer of the Management Company) | | |
| Units held: 558,846 units (2021: 1,018,152 units) | 5,550 | 10,078 |
| Humayun Bashir - Director of the Management Company | | |
| Units held: 4,155,063 units (2021: Nil units) | 41,264 | - |
| Imran Zafar - Director of Management Company | | |
| Units held: 389,422 units (2021: 506,382 units) | 3,867 | 5,012 |
| Syed Hasan Irtiza Kazmi - Director of Management Company* | | |
| Units held: Nil (2021: 214,624 units) | - | 2,124 |
| Employees of the Management Company | | |
| Units held: 17,049,795 units (2021: 4,120,282 units) | 169,323 | 40,785 |
| National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company | | |
| Units held: 2,344,327 units (2021: 1,917,035 units) | 23,282 | 18,796 |
| Reliance Enterprises - a related party | | |
| Units held: 3,290 units (2021: 3,009 units) | 33 | 30 |

2022 2021
----- Rupees in '000 -----

Fauji Fertilizer Company Limited - common directorship / unit holders with more than 10% holding

Units held: 805,550,241 units (2021: Nil) 8,000,000 -

Portfolios managed by the Management Company

Units held: 343,519,523 units (2021: 16,323,778 units) 3,411,525 161,581

Baltoro Partners (Pvt.) Limited - common directorship

Units held: 4,051 units (2021: 250,973 units) 40 2,484

* Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2022.

** Nil due to rounding off

| 20 | CASH AND CASH EQUIVALENTS | Note | 2022 | | 2021 | |
|----|--|------|------------------------------|--|------------------------------|--|
| | | | ----- (Rupees in '000) ----- | | ----- (Rupees in '000) ----- | |
| | Bank balances | 4 | 50,077,359 | | 21,923,169 | |
| | Term deposit receipts - maturing within 3 months or less | 5.3 | 1,000,000 | | - | |
| | | | <u>51,077,359</u> | | <u>21,923,169</u> | |

21 FINANCIAL INSTRUMENTS BY CATEGORY

| ----- 2022 ----- | | |
|--------------------------------------|-------------------|-------|
| At fair value through profit or loss | At amortised cost | Total |

----- (Rupees in '000) -----

Financial assets

| | | | |
|--------------------------------------|------------------|-------------------|-------------------|
| Bank balances | - | 50,077,359 | 50,077,359 |
| Investments | 1,000,000 | - | 1,000,000 |
| Profit receivable | - | 253,663 | 253,663 |
| Deposits | - | 100 | 100 |
| Receivable against transfer of units | - | 10,466 | 10,466 |
| | <u>1,000,000</u> | <u>50,341,588</u> | <u>51,341,588</u> |

Financial liabilities

| | | | |
|---|----------|----------------|----------------|
| Payable to NBP Fund Management Limited - the Management Company | - | 78,731 | 78,731 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | - | 2,003 | - |
| Payable against redemption of units | - | 79,629 | 79,629 |
| Accrued expenses and other liabilities | - | 8,292 | 8,292 |
| | <u>-</u> | <u>168,655</u> | <u>168,655</u> |

| | 2021 | | |
|---|--------------------------------------|-------------------|------------|
| | At fair value through profit or loss | At amortised cost | Total |
| (Rupees in '000) | | | |
| Financial assets | | | |
| Bank balances | | 21,923,169 | 21,923,169 |
| Profit receivable | | 42,732 | 42,732 |
| Deposits | | 100 | 100 |
| | - | 21,966,001 | 21,966,001 |
| Financial liabilities | | | |
| Payable to NBP Fund Management Limited - the Management Company | - | 61,594 | 61,594 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | - | 1,150 | 1,150 |
| Payable against redemption of units | - | 78,515 | 78,515 |
| Accrued expenses and other liabilities | - | 8,221 | 8,221 |
| | - | 149,480 | 149,480 |

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

22.1 Market risk

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

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

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

(i) Profit rate risk

Profit rate risk is the risk that the future cash flows of financial instruments will fluctuate as a result of changes in market profit rates. As of June 30, 2022, the Fund is exposed to such risk on its bank balances and term deposit receipts. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

(a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances and term deposit receipts which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing

date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 0.511 million (2021: Rs 0.219 million).

(b) Sensitivity analysis for fixed rate instruments

As of June 30, 2022, the Fund did not held any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are 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.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

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

| ----- 2022 ----- | | | | | | |
|---|-------------------------------------|---|--------------------|---|---------|------------|
| Effective profit rate (%) | Exposed to yield / profit rate risk | | | Not exposed to yield / profit rate risk | Total | |
| | Up to three months | More than three months and up to one year | More than one year | | | |
| -----Rupees in '000----- | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 6.50% -18.28% | 50,077,167 | - | - | 192 | 50,077,359 |
| Investments | 17% | 1,000,000 | - | - | - | 1,000,000 |
| Profit receivable | | - | - | - | 253,663 | 253,663 |
| Deposits | | - | - | - | 100 | 100 |
| Receivable against transfer of units | | - | - | - | 10,466 | 10,466 |
| | | 51,077,167 | - | - | 264,421 | 51,341,588 |
| Financial liabilities | | | | | | |
| Payable to NBP Fund Management Limited - the Management Company | | - | - | - | 78,731 | 78,731 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | | - | - | - | 2,003 | 2,003 |
| Payable against redemption of units | | - | - | - | 79,629 | 79,629 |
| Accrued expenses and other liabilities | | - | - | - | 8,292 | 8,292 |
| | | - | - | - | 168,655 | 168,655 |
| On-balance sheet gap | | 51,077,167 | - | - | 95,766 | |
| Total profit rate sensitivity gap | | 51,077,167 | - | - | | |
| Cumulative profit rate sensitivity gap | | 51,077,167 | 51,077,167 | 51,077,167 | | |

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

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

Financial assets

| | | | | | | |
|--------------------------------------|------------|------------|---|---|--------|------------|
| Bank balances | 4.50% - 8% | 21,914,868 | - | - | 8,301 | 21,923,169 |
| Investments | - | - | - | - | - | - |
| Profit receivable | | - | - | - | 42,732 | 42,732 |
| Deposits | | - | - | - | 100 | 100 |
| Receivable against transfer of units | | - | - | - | - | - |
| | | 21,914,868 | - | - | 51,133 | 21,966,001 |

Financial liabilities

| | | | | | | |
|---|--|---|---|---|---------|---------|
| Payable to NBP Fund Management Limited - the Management Company | | - | - | - | 61,594 | 61,594 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | | - | - | - | 1,150 | 1,150 |
| Payable against redemption of units | | - | - | - | 78,515 | 78,515 |
| Accrued expenses and other liabilities | | - | - | - | 8,221 | 8,221 |
| | | - | - | - | 149,480 | 149,480 |

On-balance sheet gap

| | | | |
|------------|---|---|----------|
| 21,914,868 | - | - | (98,347) |
|------------|---|---|----------|

Total profit rate sensitivity gap

| | | |
|------------|---|---|
| 21,914,868 | - | - |
|------------|---|---|

Cumulative profit rate sensitivity gap

| | | |
|------------|------------|------------|
| 21,914,868 | 21,914,868 | 21,914,868 |
|------------|------------|------------|

(iii) Price risk

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

The Fund does not hold any instruments that expose it to price risk as of June 30, 2022.

22.2 Liquidity risk

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

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active or over the counter market and can be readily disposed of and are considered readily realisable.

NBP MONEY MARKET FUND



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

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

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

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

Rupees in '000

Financial liabilities

| | | | | | | | |
|---|---------|-----|---|---|---|---|---------|
| Payable to NBP Fund Management Limited the Management Company | 78,731 | - | - | - | - | - | 78,731 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | 2,003 | - | - | - | - | - | 2,003 |
| Payable against redemption of units | 79,629 | - | - | - | - | - | 79,629 |
| Accrued expenses and other liabilities | 7,520 | 772 | - | - | - | - | 8,292 |
| | 167,883 | 772 | - | - | - | - | 168,655 |

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

Rupees in '000

Financial liabilities

| | | | | | | | |
|---|---------|-----|---|---|---|---|---------|
| Payable to NBP Fund Management Limited the Management Company | 61,594 | - | - | - | - | - | 61,594 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | 1,150 | - | - | - | - | - | 1,150 |
| Payable against redemption of units | 78,515 | - | - | - | - | - | 78,515 |
| Accrued expenses and other liabilities | 7,439 | 782 | - | - | - | - | 8,221 |
| | 148,698 | 782 | - | - | - | - | 149,480 |

22.3 Credit risk

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

| | 2022 | | 2021 | |
|----------------------------------|--|---------------------------------|--|---------------------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| ----- (Rupees in '000) ----- | | | | |
| Financial assets | | | | |
| Bank balances | 50,077,359 | 50,077,359 | 21,923,169 | 21,923,169 |
| Investments | 1,000,000 | 1,000,000 | - | - |
| Profit receivable | 253,663 | 253,663 | 42,732 | 42,732 |
| Deposits | 100 | 100 | 100 | 100 |
| Receivable against sale of units | 10,466 | 10,466 | - | - |
| | <u>51,341,588</u> | <u>51,341,588</u> | <u>21,966,001</u> | <u>21,966,001</u> |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

22.3.2 Credit quality of financial assets

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

| Rating | % of financial assets exposed to credit risk | |
|---|--|-------------|
| | 2022 | 2021 |
| Bank balances and accrued profit | | |
| AAA | 77.64% | 79.49% |
| AA+ | 20.35% | 20.07% |
| AA | 0.00% | - |
| AA- | 0.00% | - |
| A+ | 0.02% | - |
| BBB- | 0.00% | 0.04% |
| Term deposit receipts | | |
| AA+ | 1.97% | - |
| | <u>100%</u> | <u>100%</u> |

23 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. Consequently, differences can arise between carrying values and the fair value estimates.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

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.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets

using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

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

| -----2022----- | | | |
|--|-----------|---------|-----------|
| Level 1 | Level 2 | Level 3 | Total |
| ----- Rupees in '000 ----- | | | |
| ASSETS | | | |
| Financial assets 'at fair value through profit or loss' | | | |
| Investment in: | | | |
| Government securities - Market Treasury Bills | - | - | - |
| Letters of placement | - | - | - |
| Term deposit receipts* | 1,000,000 | - | 1,000,000 |
| Certificates of investments | - | - | - |
| | 1,000,000 | - | 1,000,000 |
| | | | |

| -----2021----- | | | |
|--|---------|---------|-------|
| Level 1 | Level 2 | Level 3 | Total |
| ----- Rupees in '000 ----- | | | |
| ASSETS | | | |
| Financial assets 'at fair value through profit or loss' | | | |
| Investment in: | | | |
| Government securities - Market Treasury Bills | - | - | - |
| Letters of placement | - | - | - |
| Term deposit receipts | - | - | - |
| Certificates of investments | - | - | - |
| | | | |
| | | | |

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

24 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

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

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

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

25 UNIT HOLDING PATTERN OF THE FUND

| Category | June 30, 2022 | | | June 30, 2021 | | |
|------------------------------------|------------------------|-------------------|---------------------|------------------------|-------------------|---------------------|
| | Number of unit holders | Investment amount | Percentage of total | Number of unit holders | Investment amount | Percentage of total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| Individuals | 4,562 | 11,978,908 | 23.44% | 3,059 | 6,014,003 | 27.81% |
| Associated Companies and Directors | 6 | 440,787 | 0.86% | 5 | 244,162 | 1.13% |
| Insurance companies | 8 | 737,054 | 1.44% | 3 | 54,175 | 0.25% |
| Banks and DFIs | 1 | - | -* | - | - | - |
| NBFCs | 1 | - | -* | 1 | - | -* |
| Retirement funds | 108 | 8,015,245 | 15.68% | 69 | 2,625,504 | 12.14% |
| Public Limited Companies | 22 | 14,805,630 | 28.97% | 18 | 3,505,874 | 16.21% |
| Others | 206 | 15,129,427 | 29.60% | 160 | 9,179,382 | 42.45% |
| | <u>4,914</u> | <u>51,107,051</u> | <u>100%</u> | <u>3,3152</u> | <u>21,623,100</u> | <u>100%</u> |

*Nil due to rounding off difference

26 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| Name of broker | 2022 % of commission paid | Name of broker | 2022 % of commission paid |
|---|------------------------------|---|------------------------------|
| Magenta Capital (Private) Limited | 31.45% | Paramount Capital (Private) Limited | 23.93% |
| Optimus Markets (Private) Limited | 24.59% | Continental Exchange (Private) Limited | 16.70% |
| Invest One Markets Limited | 13.48% | Invest One Markets Limited | 13.12% |
| Bright Capital (Private) Limited | 11.33% | Optimus Markets (Private) Limited | 10.66% |
| Continental Exchange (Private) Limited | 4.97% | Magenta Capital (Private) Limited | 7.48% |
| Alfalah CLSA Securities (Private) Limited | 4.50% | Summit Capital (Private) Limited | 7.30% |
| BIPL Securites Limited | 3.57% | Bright Capital (Private) Limited | 7.00% |
| J.S Global Capital Limited | 2.00% | Vector Capital (Private) Limited | 6.53% |
| C and M Management (Private) Limited | 1.85% | Arif Habib Securities (Private) Limited | 2.52% |
| Pearl Securities (Private) Limited | 0.94% | Pearl Securities (Private) Limited | 2.28% |

27 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

| Name | Designation | Qualification | Overall experience |
|--------------------------|-------------------------------|--|--------------------|
| Dr. Amjad Waheed | Chief Executive Officer | MBA / Doctorate in Business Administration / CFA | 34 |
| Asim Wahab Khan | Chief Investment Officer | CFA | 16 |
| Salman Ahmed (note 26.1) | Head of Fixed Income | CFA | 17 |
| Hassan Raza | Head of Research | ACCA / BSC / CFA | 11 |
| Usama Bin Razi | Senior Manager - Fixed Income | BE, MBA | 18 |

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

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

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

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

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

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

29 GENERAL

29.1 Figures in these financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

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

30 DATE OF AUTHORISATION FOR ISSUE

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

| Particulars | For the year ended June 30, 2022 | For the year ended June 30, 2021 | For the year ended June 30, 2020 | For the year ended June 30, 2019 | For the year ended June 30, 2018 | For the year ended June 30, 2017 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Rs. In '000') | (Rs. In '000') | (Rs. In '000') | (Rs. In '000') | (Rs. In '000') | (Rs. In '000') |
| Net assets at the year / period ended (Rs. '000') | 51,107,051 | 21,623,100 | 28,236,162 | 20,598,962 | 23,192,394 | 14,845,458 |
| Net Income at the year / period ended (Rs. '000') | 3,299,309 | 1,696,063 | 3,419,904 | 2,028,526 | 1,247,527 | 208,404 |
| Net Asset Value per unit at the year / period ended (Rs.) | 9.9311 | 9.8986 | 9.8825 | 9.8687 | 10.4050 | 9.8585 |
| Offer price per unit | 10.0433 | 10.0105 | 9.9383 | 9.9244 | 10.4638 | 9.9142 |
| Redemption price per unit | 9.9311 | 9.8986 | 9.8825 | 9.8687 | 10.4050 | 9.8585 |
| Ex - Highest offer price per unit (Rs.) | 10.0433 | 10.0105 | 9.9383 | 9.9244 | 10.4638 | 10.5062 |
| Ex - Lowest offer price per unit (Rs.) | 9.0166 | 9.3318 | 8.7636 | 9.1122 | 9.9084 | 9.8985 |
| Ex - Highest redemption price per unit (Rs.) | 9.9311 | 9.8986 | 9.8825 | 9.8687 | 10.4050 | 9.8985 |
| Ex - Lowest redemption price per unit (Rs.) | 8.9158 | 9.2795 | 8.7636 | 9.0578 | 9.8528 | 9.2482 |
| Fiscal Year Opening Ex Nav | 8.9140 | 9.2778 | 8.7606 | 9.0528 | 9.8513 | 9.2513 |
| Since Inception Nav | | | | | | |
| Total return of the fund | 11.41% | 6.69% | 12.77% | 9.01% | 5.62% | 6.56% |
| Capital growth | 0.88% | 0.36% | 0.80% | 0.47% | 0.01% | -0.14% |
| Income distribution as a % of ex nav | 10.53% | 6.33% | 11.97% | 8.54% | 5.61% | 6.70% |
| Income distribution as a % of par value | 10.42% | 6.26% | 11.82% | 8.41% | 5.53% | 6.20% |
| Distribution | | | | | | |
| Interim distribution per unit | 1.0419 | 0.6257 | 1.1816 | 0.7580 | 0.5531 | 0.6201 |
| Final distribution per unit | - | - | - | 0.0830 | - | 0.0073 |
| 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 | 23-Dec-20 | 27-Dec-19 | - | - | - |
| Interim | 27-Jan-22 | 26-Jan-21 | 28-Jan-20 | 21-Dec-18 | - | - |
| Interim | 24-Feb-22 | 24-Feb-21 | 27-Feb-20 | 29-Jan-19 | - | - |
| Interim | 29-Mar-22 | 26-Mar-21 | 27-Mar-20 | 27-Feb-19 | - | - |
| Interim | 27-Apr-22 | 27-Apr-21 | 29-Apr-20 | 29-Mar-19 | - | - |
| Interim | 26-May-22 | 26-May-21 | 29-May-20 | 26-Apr-19 | - | - |
| Interim | 24-Jun-22 | 23-Jun-21 | 26-Jun-20 | 30-May-19 | 4-Jul-18 | 19-Jun-17 |
| Final | - | - | - | 26-Jun-19 | - | 15-Sep-17 |
| Average annual return of the Fund (launch date February 24' 2012) | | | | | | |
| (Since inception to June 30, 2022) | 8.52% | | | | | |
| (Since inception to June 30, 2021) | | 8.22% | | | | |
| (Since inception to June 30, 2020) | | | 8.40% | | | |
| (Since inception to June 30, 2019) | | | | 7.82% | | |
| (Since inception to June 30, 2018) | | | | | 7.63% | |
| (Since inception to June 30, 2017) | | | | | | 8.01% |
| (Since inception to June 30, 2016) | | | | | | |
| (Since inception to June 30, 2015) | | | | | | |
| (Since inception to June 30, 2014) | | | | | | |
| (Since inception to June 30, 2013) | | | | | | |
| (Since inception to June 30, 2012) | | | | | | |
| Weighted average portfolio duration | 1 Days | 1 Days | 22 Days | 2 Days | 1 Days | 1 Days |

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

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