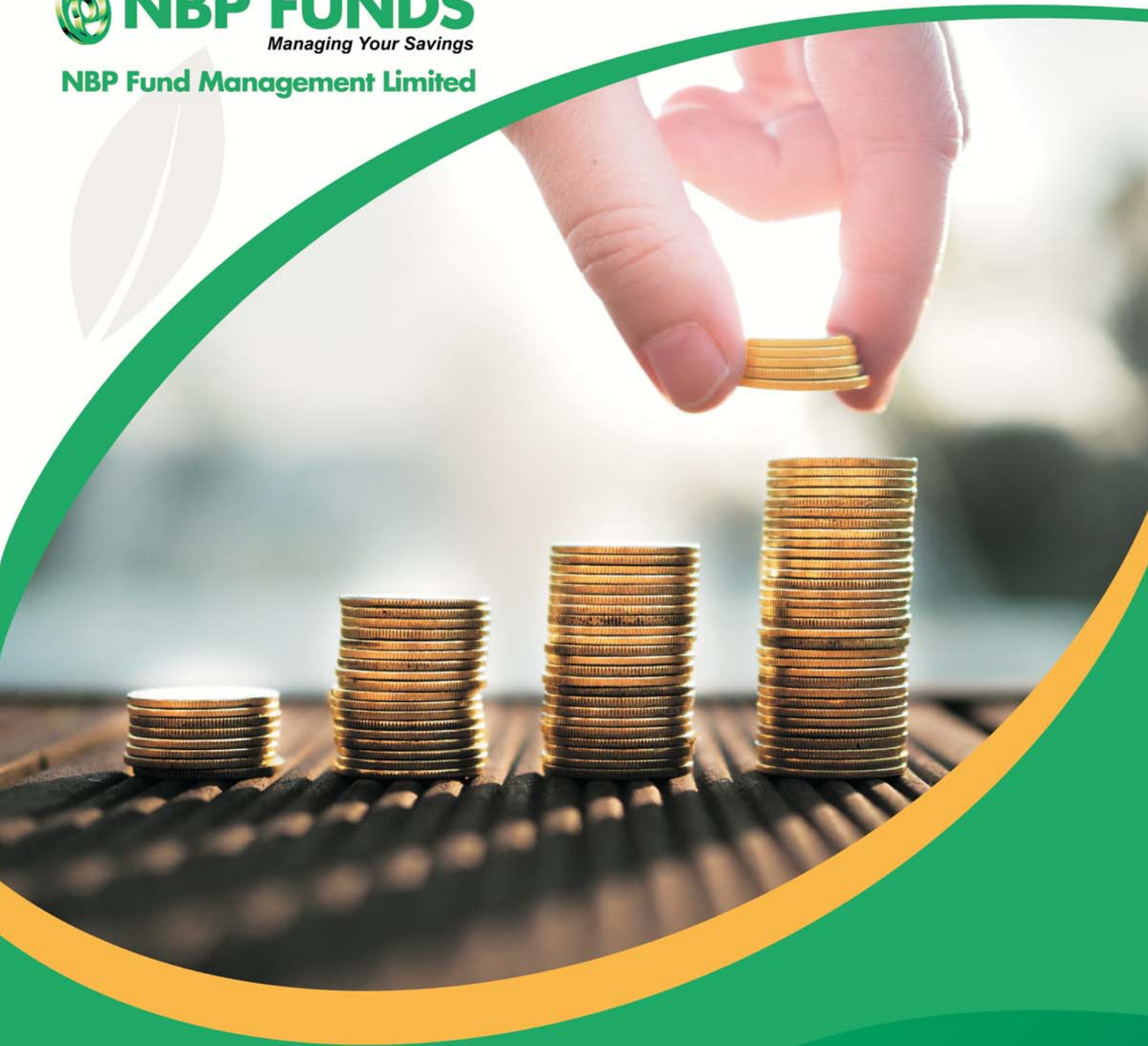




# NBP FUNDS

*Managing Your Savings*

**NBP Fund Management Limited**



## NBP GOKP PENSION FUND

**HALF YEARLY** REPORT  
DECEMBER 31, 2023

**AM1**  
Rated by PACRA



# MISSION STATEMENT

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



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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

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

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

### Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Tauqeer Mazhar	Member

### Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	Member

### Trustee

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block "B" S.M.C.H.S.,  
Main Shahra-e-Faisal, Karachi.

### Bankers to the Fund

The Bank of Khyber



## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

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

## **Lahore Office:**

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

## **Islamabad Office:**

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

## **Peshawar Office:**

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

## **Multan Office:**

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

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP GOKP Pension Fund** (GOKP-MM) for the period ended December 31, 2023.

### Fund's Performance

During the first half of fiscal year 2024, the State Bank of Pakistan (SBP) held four Monetary Policy Committee meetings, maintaining the Policy Rate at 22%. Various external and internal factors were considered, with the decision primarily attributed to the upside risk of the inflation outlook. The period was characterized by economic slowdown and uncertainty stemming from increased political noise ahead of the upcoming general elections. Scheduled debt repayments and weak investment inflows impeded the increase in foreign exchange (FX) reserves. Sovereign yields exhibited volatility initially owing to the prevailing uncertainty. However, the pressure on sovereign yields started to ease in the later part of the period due to the growing expectation of an interest rate cut in 2H FY24, with market participants gradually elongating their maturities. The measures taken to address the ailing economic activity hinge on continued targeted fiscal consolidation and the timely realization of planned external inflows. As of the end of December, the net liquid foreign exchange reserves held with the SBP stood at around USD 8.23 billion. The SBP conducted thirteen T-Bill auctions, realizing around Rs. 15.8 trillion against the target of Rs. 16.3 trillion and maturity of Rs. 17.7 trillion. Yields decreased by 1.4%, 1.5%, and 1.6% for 3-month, 6-month, and 12-month tenures, respectively. In the last auction for the half-year, cut-off yields for 3-month, 6-month, and 12-month tenures were noted at 21.45%, 21.40%, and 21.43%, respectively.

GOKP-MMF being a Money Market scheme is authorized to invest in T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is 'AA', while the Sub 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 GoKP Pension Fund - Money Market Sub Fund was Rs. 35 million as at December 31, 2023. During the period, the unit price of the Sub Fund has increased from Rs. 100.0000 on December 13, 2023 to Rs. 101.0632 on December 31, 2023 thus showing a return of 21.6% p.a.

GoKP-IMM -Asset Allocation (% of Net Assets)	
T-Bills (AAA)	85.9%
Cash Equivalents	14.0%
Others	0.1%
<b>Total</b>	<b>100.0%</b>

### 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: **February 29, 2024**  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2023ء کو ختم ہونے والی مدت کے لئے NBP GOKP پنشن فنڈ (GOKP-MM) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

مالی سال 2024 کی پہلی ششماہی کے دوران اسٹاک مارکیٹ کی کارکردگی بہت بہتر رہی، کیونکہ شیخ مارک KSE-100 انڈیکس میں 21,000 پوائنٹس کا زبردست اضافہ ہوا، جس کے نتیجے میں مدت کے لیے 51% قابل ذکر منافع ہوا۔

مالی سال 24 کی پہلی ششماہی کے دوران، بینک دولت پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد کئے، پالیسی ریٹ 22% پر برقرار رکھا۔ مختلف بیرونی اور داخلی عوامل پر غور کرتے ہوئے، بنیادی طور پر یہ فیصلہ افراط زر کے نقطہ نظر میں زیادہ خطرات کی وجہ سے کیا گیا۔ اس عرصہ میں معاشی سست روی اور عام انتخابات سے قبل سیاسی شور سے پیدا ہونے والی غیر یقینی صورتحال کی نشاندہی کی گئی تھی۔ شیڈول قرضوں کی ادائیگی اور کنٹرول سرمایہ کاری نے زرمبادلہ کے ذخائر میں اضافہ کو روک دیا۔ موجودہ غیر یقینی صورتحال کی وجہ سے ابتدائی طور پر حکومتی منافع میں اتار چڑھاؤ آیا۔ تاہم، مالی سال 24 کی دوسری ششماہی میں شرح سود میں کمی کی توقع کی وجہ سے اس مدت کے آخر میں حکومتی منافع پر دوبارہ کم ہونا شروع ہوا، جس میں مارکیٹ کے شرکاء اپنی مینجور ٹیز میں بتدریج اضافہ کر رہے تھے۔

کنزور معاشی سرگرمیوں سے نمٹنے کے لئے اٹھائے گئے اقدامات کا دار و مدار مسلسل ہدف شدہ مالی استحکام اور منصوبہ بند بیرونی آمد کی بروقت تکمیل پر ہے۔ دسمبر کے اختتام تک اسٹیٹ بینک پاکستان کے ہاں موجود خالص لیکویڈ زرمبادلہ کے ذخائر تقریباً 8.23 ارب ڈالر تھے۔ SBP نے ٹی بی بل کی تیرہ نیلامیوں کا انعقاد کیا، جس سے 16.3 ٹریلین روپے ہدف اور 17.7 ٹریلین روپے مینجور ٹی کے متقابل کل 15.8 ٹریلین روپے کی وصولی ہوئی۔ ٹی بلز کی شرح منافع میں 3 ماہ، 6 ماہ، 12 ماہ کے لئے بالترتیب 1.4%، 1.5% اور 1.6% تک کمی ہوئی۔ ختم ہونے والی ششماہی کی آخری نیلامی میں، 3 ماہ، 6 ماہ اور 12 ماہ کے لئے ٹی بل پر کٹ آف شرح منافع بالترتیب 21.45 فیصد، 21.40 فیصد اور 21.43 فیصد درج کیا گیا۔

GOKP-MMF منی مارکیٹ اسکیم ہونے کی حیثیت سے ٹی بلز، بینک ڈپازٹس اور منی مارکیٹ آلات میں سرمایہ کاری کرنے کی مجاز ہے۔ مطلوبہ کم از کم درجہ بندی 'AA' ہے، جبکہ سب فنڈ کو چھ ماہ سے زائد مینجور ٹی کی کسی سیکورٹی میں سرمایہ کاری کی اجازت نہیں ہے۔ سب فنڈ کی مینجور ٹی کی اوسط مدت 90 دنوں سے زائد نہیں ہو سکتی ہے۔

31 دسمبر 2023 کو NBP GoKP پنشن فنڈ - منی مارکیٹ سب فنڈ کا سائز 35 ملین روپے تھا۔ زیر جائزہ مدت کے دوران، سب فنڈ کے یونٹ کی قیمت 13 دسمبر 2023 کو 100,000 روپے سے بڑھ کر 31 دسمبر 2023 کو 100,0632 روپے ہو گئی، لہذا سب فنڈ نے 21.6% سالانہ منافع ظاہر کیا۔

GoKP-MM ایسٹ ایبلویشن (نیٹ ایسٹس %)	
85.9%	ٹی بلز (AAA)
14.0%	کیش کے مساوی
0.1%	دیگر
100.0%	کل

### اظہار تشکر

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





بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا تراجیحین بھی ریکارڈ پر لانا چاہتا ہے۔  
منجانب بورڈ آف ڈائریکٹرز  
NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 فروری 2024ء

مقام: کراچی

## TRUSTEE REPORT TO THE PARTICIPANTS

### **Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP GOKP Pension 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 period from December 13, 2023 to December 31, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

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

Karachi, February 28, 2024

## INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS OF NBP GOKP PENSION FUND

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP GOKP Pension Fund** (the Fund) as at December 31, 2023, and the related condensed interim income statement and statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of movement in participants sub funds, condensed interim contribution table, condensed interim statement of number of units in issue and notes to the condensed interim financial statement for the period from December 13, 2023 to December 31, 2023 (here-in-after referred to as the 'condensed interim financial statements'). NBP Fund Management Limited (the Pension Fund Manager) is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

**Yousuf Adil**  
**Chartered Accountants**

**Place:** Karachi  
**Date:** February 29, 2024

**UDIN:** RR202310091XWD2KhU0R

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT DECEMBER 31, 2023

From December 13, 2023 till December 31, 2023						
		Money Market Sub fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
	Note	----- (Rupees in '000') -----				
<b>ASSETS</b>						
Bank balances	4	4,931	500	500	500	6,431
Investments	5	30,245	-	-	-	30245
Mark-up receivable	6	45	-	-	-	45
Deferred Formation Cost		445	-	-	-	445
<b>Total assets</b>		<b>35,666</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>37,166</b>
<b>LIABILITIES</b>						
Payable to NBP Fund Management Limited - Pension Fund Manager	7	5	-	-	-	5
Payable to Central Depository Company of Pakistan Limited - Trustee	8	3	-	-	-	3
Payable to Securities and Exchange Commission of Pakistan	9	1	-	-	-	1
Payable against Formation Cost		450	-	-	-	450
Accrued expenses and other liabilities	10	5	-	-	-	5
<b>Total liabilities</b>		<b>464</b>				<b>464</b>
<b>Net assets</b>		<b>35,202</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>36,702</b>
<b>PARTICIPANTS' SUB FUNDS (AS PER STATEMENT ATTACHED)</b>						
		<b>35,202</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>36,702</b>
Contingencies and commitment	11	-	-	-	-	-
<b>Number of units in issue</b>						
	12	<b>348,318</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	
<b>Net assets value per unit</b>						
		<b>101.0632</b>	<b>100.0000</b>	<b>100.0000</b>	<b>100.0000</b>	

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

**For NBP Fund Management Limited  
(Pension Fund Manager)**

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

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

\_\_\_\_\_  
Director

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2023

From December 13, 2023 till December 31, 2023					
	Money Market sub fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
Note ----- (Rupees in '000') -----					
<b>INCOME</b>					
Mark-up on bank deposits	45	-	-	-	45
Income From Government Securities - T-bills	339	-	-	-	339
Net unrealized gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2 5	-	-	-	5
<b>Total income</b>	<b>389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>389</b>
<b>EXPENSES</b>					
Remuneration to NBP Fund Management Limited - Pension Fund Manager	7.1 4	-	-	-	4
Sindh Sales Tax on remuneration of Pension Fund Manager	7.2 1	-	-	-	1
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1 3	-	-	-	3
Annual fee - Securities and Exchange Commission of Pakistan	9 1	-	-	-	1
Amortization of Formation Cost	5	-	-	-	5
Printing and stationary expenses	1	-	-	-	1
Legal and professional charges	4	-	-	-	4
<b>Total expenses</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>
<b>Net income from operating activities</b>	<b>370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370</b>
<b>Net income for the period before taxation</b>	<b>370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370</b>
Taxation	16 -	-	-	-	-
<b>Net income for the period after taxation</b>	<b>370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370</b>

For NBP Fund Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2023

From December 13, 2023 till December 31, 2023				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total

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

Net income for the period after taxation	370	-	-	-	370
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370</b>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Pension Fund Manager)

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

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

\_\_\_\_\_  
Director

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND (UNAUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2023

		From December 13, 2023 till December 31, 2023				
		Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
Note		(Rupees in '000')				
Net assets at beginning of the period		-	-	-	-	-
Amount received on issuance of units	13	34,832	500	500	500	36,332
		34,832	500	500	500	36,332
Net unrealized gain on re-measurement of investments at fair value through profit or loss		5	-	-	-	5
Other net income for the period		365	-	-	-	365
<b>Total comprehensive income for the period</b>		<b>370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370</b>
<b>Net assets at end of the period</b>		<b>35,202</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>36,702</b>
<b>Net assets value per unit at beginning of the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net assets value per unit at end of the period</b>		<b>101.0632</b>	<b>100.0000</b>	<b>100.0000</b>	<b>100.0000</b>	

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2023

	From December 13, 2023 till December 31, 2023				
	Money Market sub fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income for the period	370	-	-	-	370
<b>Adjustments:</b>					
Net unrealized gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(5)	-	-	-	(5)
Amortization of Formation Cost	5	-	-	-	5
	370	-	-	-	370
<b>(Increase) in assets</b>					
Investments - net	(30,245)	-	-	-	(30,245)
Mark-up receivables	(45)	-	-	-	(45)
Deferred Formation Cost	(445)	-	-	-	(445)
	(30,735)	-	-	-	(30,735)
<b>Increase in liabilities</b>					
Payable to NBP Fund Management Limited - Pension Fund Manager	5	-	-	-	5
Payable to Central Depository Company of Pakistan Limited - Trustee	3	-	-	-	3
Payable to Securities and Exchange Commission of Pakistan	1	-	-	-	1
Payable against Formation Cost	450	-	-	-	450
Accrued expenses and other liabilities	5	-	-	-	5
	464	-	-	-	464
<b>Net cash (used in) operating activities</b>	(29,901)	-	-	-	(29,901)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Amount received on issuance of units	34,832	500	500	500	36,332
<b>Net cash generated from financing activities</b>	34,832	500	500	500	36,332
<b>Net increase in cash and cash equivalents during the period</b>	4,931	500	500	500	6,431
Cash and cash equivalents at beginning of the period	-	-	-	-	-
<b>Cash and cash equivalents at end of the period</b>	4,931	500	500	500	6,431

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

**For NBP Fund Management Limited  
(Pension Fund Manager)**

Chief Financial Officer

Chief Executive Officer

Director



## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2023

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP GOKP Pension Fund ("the Fund") was established under a Trust Deed executed between NBP Fund Management Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan on September 25, 2023 under the Voluntary Pension System Rules, 2005 (VPS Rules).

The objective of the Fund is to provide a secure source of retirement savings and regular income after retirement of the employees of KPK Government. The Fund comprises of four sub funds namely Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Equity Index Sub-Fund (collectively the "Sub-Funds"). The Pension Fund Manager shall offer Allocation Scheme to the employees according to their risk/return and age requirements, through Sub-Funds of the NBP GOKP Pension Fund. The risk profile of each Allocation Scheme shall be dependent on the percentage allocation of that Scheme in the various Sub-Funds.

All Employees of KPK Government appointed/recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 or an employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.

- 1.2 The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.
- 1.3 The Fund is an unlisted open end pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the offering document, distribution of income or dividend is not allowed from any of the sub-funds.
- 1.4 The primary objective of the Fund is to provide individuals with a portable, individualized, funded (based on defined contribution), flexible pension scheme, assisting and facilitating them to plan and provide for their retirement.
- 1.5 The Fund consists of four Sub-Funds namely, NBP GOKP Pension Fund - Equity Sub-Fund (the Equity Sub-Fund), NBP GOKP Pension Fund - Equity Index Sub-Fund (the Equity Index Sub-Fund), NBP GOKP Pension Fund - Debt Sub-Fund (the Debt Sub-Fund) and NBP GOKP Pension Fund - Money Market Sub-Fund (the Money Market Sub-Fund) (collectively the "Sub-Funds"). Investment policy for each of the Sub-Fund is as follows:

#### - NBP GoKP Pension Fund - Equity Sub-Fund

Assets of the Equity Sub-Fund shall be invested in equity securities which are listed on the Stock Exchange or in securities of which the application for listing has been approved by the Stock Exchange. The Equity Sub-Fund shall be eligible to invest in units of Real Estate Investment Trusts and Exchange Traded Funds, provided that entity /sector /group exposure limits as prescribed are complied with. Atleast ninety percent (90%) of net assets of the Equity Sub-Fund shall remain invested in listed equity securities based on rolling average investment of last ninety (90) days calculated on daily basis. The Pension Fund Manager may make investment maximum up to five percent (5%) of net assets of the Equity Sub-Fund in units of private equity and venture capital funds registered under Private Funds Regulations, 2015. The Pension Fund Manager may make investment maximum up to ten percent (10%) of net assets of the Equity Sub-Fund in public offering and pre-initial public offering of equity securities. Investment in equity securities of any single company shall not exceed fifteen percent (15%) of net assets of the Equity Sub-Fund or paid-up capital of that single company, whichever is lower. The Pension Fund Manager may invest up to thirty-five percent (35%) or the index weight, whichever is higher, subject to maximum of forty percent (40%) of net assets of the Equity Sub-Fund in equity securities of companies belonging to a single sector

as classified by the Pakistan Stock Exchange. The Pension Fund Manager may invest any surplus (un-invested) funds in government securities having less than one-year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A". The Pension Fund Manager shall ensure that the investment in equity securities of the certain companies, as specified in the Offering Document, shall not exceed ten percent (10%) of the net assets of the Equity

- **NBP GoKP Pension Fund - Equity Index Sub-Fund**

The Investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KMI-30 by investing in companies of the Index in proportion to their weightages. The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un-invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs). Performance Benchmark of Equity Index Sub-Fund shall be KMI-30 Index. Index Sub-fund may select an index (or a subset thereof) established by a recognized independent third party. Exposure to securities issued by entities of a single sector shall not exceed weight of sector in the index or its subset and exposure to any security shall not exceed weight of security in the index or its subset.

- **NBP GoKP Pension Fund - Money Market Sub-Fund**

The Money Market Sub-Fund shall consist of government securities, cash and near cash instruments which include cash in bank accounts, money market placements, deposits, certificate of deposits (COD), or any other structure as approved by the Pension Fund Manager. Rating of any security in the portfolio shall not be lower than AA. Rating of any bank and DFI with which funds are placed should not be lower than AA. Rating of any NBFC with which funds are placed shall not be lower than AAA. At least 10% of the net assets shall be invested in deposit with scheduled commercial bank or government securities not exceeding 90 days' maturity. Exposure to any single entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets for money market sub fund. Exposure in security of entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets for money market sub fund or 10% of size of the issue of that security. Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of a money market Sub-fund. A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI and money market placements) of more than 25% of net assets of money market sub-fund with all microfinance banks, non-bank finance companies. The weighted average time to maturity of assets of a Money Market Sub-fund shall be up to one (1) year, and time to maturity of any asset in the portfolio of Money Market Sub fund shall not exceed six (6) months except in case of Government Securities such as Government Sukuks which may be up to five (5) years.

- **NBP GoKP Pension Fund - Debt Sub-Fund**

The Debt Sub-fund shall consist of government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), TFC/ Sukuk or any other structure as approved by the Pension Fund Manager. Reverse repo, deposits/placements with Microfinance Banks and any other approved debt/money market security issued from time to time. Rating of any security in the portfolio shall not be lower than A+. Rating of any bank and DFI with which funds are placed should not be lower than A+. Rating of any NBFC with which funds are placed shall not be lower than AA. At least 25% of the net assets shall be invested in deposit with scheduled Commercial banks or government securities not exceeding 90 days' maturity. Exposure to any single entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets of debt sub fund. Exposure in debt security of an entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets for debt sub fund or 10% of size of the issue of that debt security, whichever is lower. Exposure to securities issued by entities of a single sector shall not exceed twenty-five percent (25%) of Net Assets of Debt Sub-fund. The pension fund manager shall not place funds (including TDR, PLS Saving deposit, COD, COM, COI, money market placements and other clean placements of funds) of more than 25% of net assets of with all microfinance banks, non-bank finance companies. The weighted average time to maturity of Debt Sub-fund shall not exceed five (5) years and this condition shall not apply to securities issued by the Federal Government. Rating of microfinance banks with which funds are placed shall not be lower than A+.

- 1.6** Under the provisions of the Offering Document of the Fund, contributions received from or on behalf of any Participant by Trustee in cleared funds on any business day shall be credited to the Individual Pension Account of the Participant after deducting the front-end fees, bank charges, any premia payable in respect of any schemes selected by the Participant. The net contribution received in the Individual Pension Account shall be used to allocate such number of units of the relevant Sub-Funds in accordance with the Allocation Policy selected by the Participant as is determined in accordance with the Trust Deed and the units shall be allocated at Net Asset Value notified by the Pension Fund Manager at the close of that business day.
- 1.7** Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of 'AM1' to the Pension Fund Manager while the Fund is currently not rated.
- 1.8** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.
- 1.9** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

- 2.1.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS - 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (the VPS Rules) , Voluntary Pension System Part V (NBFC Regulations, 2008) and requirements of the trust deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed differ from the IFRS standards, provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed have been followed.

- 2.1.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34 'Interim Financial Reporting'. These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements.
- 2.1.3** These condensed interim financial statements are being submitted to the participants as required under Regulation 7(f) of the VPS Rules, 2005.

### **2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

## 2.3 Functional and presentation currency

These condensed interim financial statements has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

## 2.4 Use of judgements and estimates

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In the process of applying the Fund's accounting policies, management has made the following accounting estimates and judgments which are significant to these condensed interim financial statements and estimates with a significant risk of material adjustment in future periods:

- a) Classification and valuation of financial instruments (notes 3.1 and 5);
- b) Impairment of financial instruments (note 3.1.4); and
- c) Provision (note 3.4)

## 2.5 Application of new standards, amendments and interpretations to the published approved accounting standards

### a) New accounting standards, amendments and IFRS interpretations that are effective for the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on December 14, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

### b) New accounting standards, amendments and IFRS interpretations that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 01, 2023. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

- IFRS 17 – Insurance Contracts

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below:

### 3.1 Financial instruments

#### 3.1.1 Recognition and initial measurement

Financial assets 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 expensed in the income statement.

## 3.1.2 Classification and subsequent measurement

### 3.1.2.1 Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at otherwise arise.

### Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

## Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

### 3.1.2.2 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / mark-up income and impairment are recognised in income statement.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

Subsequent to initial recognition, financial assets designated by the management as 'fair value through profit or loss' and 'fair value through OCI' are valued as follows:

#### a) Basis of valuation of debt securities

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



## **b) Basis of valuation of Government securities**

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

## **c) Basis of valuation of equity securities**

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

### **3.1.3 Financial liabilities – Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### **3.1.4 Impairment**

The Fund at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

### **3.1.5 Regular way contracts**

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

### **3.1.6 Recognition**

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

### **3.1.7 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.

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

## 3.1.8 Offsetting of financial instruments

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

## 3.2 Participants' fund

Participants' fund representing the units issued by the Fund, are carried at the net assets value representing the investors' right to a residual interest in the Fund's net assets.

## 3.3 Provisions

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

## 3.4 Net assets value per unit of each sub-fund

The net assets value (NAV) per unit, as disclosed in the Statement of Asset and Liabilities, is calculated by dividing the net assets of each sub-fund by the number of units in issue at period end.

## 3.5 Taxation

The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision in respect of taxation has been made in these financial statements.

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

## 3.6 Income recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income statement on the date when the transaction takes place.
- (ii) Dividend income is recognised when the Fund's right to receive the same is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- (iii) Profit on bank balances and term deposits / COMs are recognised on time proportion basis using effective yield method.
- (iv) Income on sukuk certificates, placements and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the profits are recorded on cash basis.
- (v) Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.



## 3.7 Expenses

All expenses, including remuneration of the Pension Fund Manager, Trustee and annual fee to the Securities and Exchange Commission of Pakistan fee are recognised in the Income Statement as and when incurred.

## 3.8 Earnings per unit

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

## 3.9 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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

An equalisation account called 'element of income / (loss) and capital gains / (losses)' included in prices of units issued less those in units redeemed is set up in order to prevent the dilution of income per unit.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) held in the participants' funds in a separate account. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

## 3.11 Distribution

Distribution of dividend or bonus units is not allowed under the Schedule II of VPS Rules 2005.

		(Un-Audited)					
		From December 13, 2023 till December 31, 2023					
		Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total	
4	BANK BALANCES	Note	----- (Rupees in '000') -----				
	Savings account	4.1	4,931	500	500	500	6,431
			4,931	500	500	500	6,431

4.1 This account carries markup at the rate of 20.50% per annum during the period.

		(Un-Audited)					
		From December 13, 2023 till December 31, 2023					
		Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total	
5	INVESTMENTS	Note ----- (Rupees in '000') -----					
	Financial assets at fair value through profit and loss						
	Government Securities						
	Marketable Treasury Bills	5.1	30,245	-	-	-	30,245
			30,245	-	-	-	30,245



## 5.1 Marketable Treasury Bills

### 5.1.1 Held by Money Market Sub Fund

Name of the security	Issue date	Maturity Date	Tenor	Face Value				Market value as at December 31, 2023	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of total investments of sub-fund
				As at July 1, 2023	Purchases during the period	Matured / sold during the period	As at December 31, 2023			
----- (Rupees in '000') -----										
Marketable Treasury Bills	November 16, 2023	February 7, 2024	3 Months	-	30,900	-	30,900	30,245	85.92%	100.00%
				-	30,900	-	30,900	30,245		
Carrying value before fair value adjustment as at December 31, 2023								30,240		

(Un-Audited)

From December 13, 2023 till December 31, 2023

Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
-----------------------	---------------	-----------------	-----------------------	-------

## 5.2 Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

Note (Rupees in '000')

Market value of investments		30,245			30,245
Less: carrying cost of investments	5.1	(30,240)	-	-	(30,240)
		5	-	-	5

## 6 MARK-UP RECEIVABLES

Mark-up on bank deposits	45	-	-	-	45
	45	-	-	-	45

## 7 PAYABLE TO NBP FUND MANAGEMENT LIMITED - PENSION FUND MANAGER

Remuneration to Pension Fund Manager	7.1	4	-	-	-	4
Sindh Sales Tax on management remuneration	7.2	1	-	-	-	1
		5	-	-	-	5

**7.1** As per Rule 11 of the Voluntary Pension System Rules, 2005, the Pension Fund Manager has charged its remuneration at the rate of 0.25 percent per annum of the average annual net assets of the Money Market Sub Fund.

**7.2** The Sindh Provincial Government has levied Sindh Sales Tax on the remuneration of the Pension Fund Manager and sales load through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2011. During the period, Sindh Sales Tax at the rate of 13% was charged on management remuneration and sales load.

From December 13, 2023 till December 31, 2023

		Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
<b>8</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	Note ----- (Rupees in '000') -----				
	Trustee remuneration	8.1	3	-	-	3
	Sindh Sales Tax on remuneration of Trustee	8.2	-	-	-	-
			<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>

**8.1** "The Trustee is entitled to a monthly remuneration for services rendered to the Fund as stated below under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets value of the Fund:

"

Based on the Trust Deed, the tariff structure applicable to the Fund as at December 31, 2023 is as follows:

**Average net asset value**

**Tariff per annum**

From December 14, 2023 till December 31, 2023

0.15% p.a of net asset value.

**8.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

**9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Rule of the Voluntary Pension System Rules, 2005 whereby the Fund is required to pay SECP an amount equal to 0.04% of the average annual net asset value of each of the Sub-Fund.

(Un-Audited)

From December 13, 2023 till December 31, 2023

		Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
<b>10</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	----- (Rupees in '000') -----				
	Printing charges	1	-	-	-	1
	Legal and professional charges	4	-	-	-	4
		<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>

**11 CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at December 31, 2023.

(Un-Audited)  
From December 13, 2023 till December 31, 2023

## 12 NUMBER OF UNITS IN ISSUE

Total units in issue at beginning of the period / year  
Add: issue of units during the period / year  
Less: units redeemed during the period / year  
Reallocation during the period / year  
Total units in issue at end of the period / year

Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
----- Number of units -----				
-	-	-	-	-
348,318	5,000	5,000	5,000	363,318
-	-	-	-	-
-	-	-	-	-
348,318	5,000	5,000	5,000	363,318

## 13 CONTRIBUTION TABLE

Contribution net of front end fee for the period is as follows:

Un-audited  
From December 13, 2023 till December 31, 2023

	Money Market Sub Fund		Debt Sub Fund		Equity Sub Fund		Equity Index Sub Fund		Total	
From:	Units	(Rupees in '000')	Units	(Rupees in '000')	Units	(Rupees in '000')	Units	(Rupees in '000')	Units	(Rupees in '000')
Individuals - issuance of units	348,318	34,832	5,000	500	5,000	500	5,000	500	363,318	36,332

## 14 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

**14.1** Connected persons include NBP Fund Management Limited, being the Pension Fund Manager, Central Depository Company of Pakistan Limited, being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors of the Fund / Pension Fund Manager and other collective investment schemes managed by the NBP Fund Management Limited, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Pension Fund Manager or the net assets of the Fund and directors and officers of the NBP Fund Management Limited and employee benefit funds of the NBP Fund Management Limited.

**14.2** The transactions with connected persons and related parties are carried at agreed rates and terms.

**14.3** Remuneration payable to Pension Fund Manager and the Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules, 2005 and the Trust Deed respectively.

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

(Un-Audited)  
From December 13, 2023 till December 31, 2023

Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
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## 14.4 Transactions during the period

(Rupees in '000')

### NBP Fund Management Limited - Pension Fund Manager

Remuneration for the period	4	-	-	-	4
Sindh Sales Tax on management fee	1	-	-	-	1
Investment: Money Market Sub Fund: 300,000 units					
Debt Sub Fund: 5,000 units, Equity Sub fund: 5,000 units					
Equity Index Sub Fund: 5,001 units	30,000	500	500	500	31,500

### Central Depository Company of Pakistan Limited (CDC) - Trustee

Remuneration for the period	3	-	-	-	3
Sindh Sales Tax on trustee fee	-	-	-	-	-

(Un-Audited)  
From December 13, 2023 till December 31, 2023

Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
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## 14.5 Balances outstanding as at period / year end

(Rupees in '000')

### NBP Fund Management Limited - Pension Fund Manager

Remuneration payable	4	-	-	-	4
Sindh Sales Tax payable	1	-	-	-	1
Investment: Money Market Sub Fund: 300,000 units					
Debt Sub Fund: 5,000 units, Equity Sub fund: 5,000 units					
Equity Index Sub Fund: 5,001 units	30,319	500	500	500	31,819

### Central Depository Company of Pakistan Limited (CDC) - Trustee

Trustee fee payable	3	-	-	-	3
Sindh Sales Tax on trustee fee payable	-	-	-	-	-

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** Unobservable inputs for the asset or liability.

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

Money Market sub fund								
Carrying value			Fair value					
At fair value through Profit or loss	Amortised cost	Other financial liabilities	Level 1	Level 2	Level 3	Total		
December 31, 2023	Note	----- (Rupees in '000') -----						
Financial assets measured at fair value								
Investments								
Marketable Treasury Bills		30,245	-	-	-	30,245	-	30,245
		30,245	-	-	-	30,245	-	30,245
Financial assets not measured at fair value 15.1								
Bank balances		-	4,931	-	-	-	-	-
Markup receivables		-	45	-	-	-	-	-
		-	4,976	-	-	-	-	-
Financial liabilities not measured at fair value 15.1								
Payable to the Management Company		-	-	5	-	-	-	-
Remuneration payable to the Trustee		-	-	3	-	-	-	-
Net assets attributable to redeemable units		-	-	35,202	-	-	-	-
Accrued expenses and other liabilities		-	-	5	-	-	-	-
		-	-	35,215	-	-	-	-

- 15.1** There were no transfers between above levels during the year.
- 15.2** Underlying the definition of fair values 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.
- 15.3** The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## **16 TAXATION**

The income of the Fund is exempt from income tax under clause 57(3) (viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these condensed interim financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, Supertax and any other taxes introduced in Finance Act, 2015 is also not applicable on the Fund.

## **17 TOTAL EXPENSE RATIO**

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is :

Category	Rate per annum
Money Market	1.06%

Total expense ratio (excluding government levies) is :

Category	Rate per annum
Money Market	0.97%

## **18 GENERAL**

- 18.1** Figures have been rounded off to the nearest thousand rupees unless otherwise specified.
- 18.2** These condensed interim financial statements are unaudited and have been reviewed by the auditors.

## **19 DATE OF AUTHORISATION FOR ISSUE**

- 19.1** These condensed interim financial statements were authorised for issue on February 29, 2024 by the Board of directors of the Pension Fund Manager.

**For NBP Fund Management Limited  
(Pension Fund Manager)**

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

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

\_\_\_\_\_  
Director

## Head Office

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