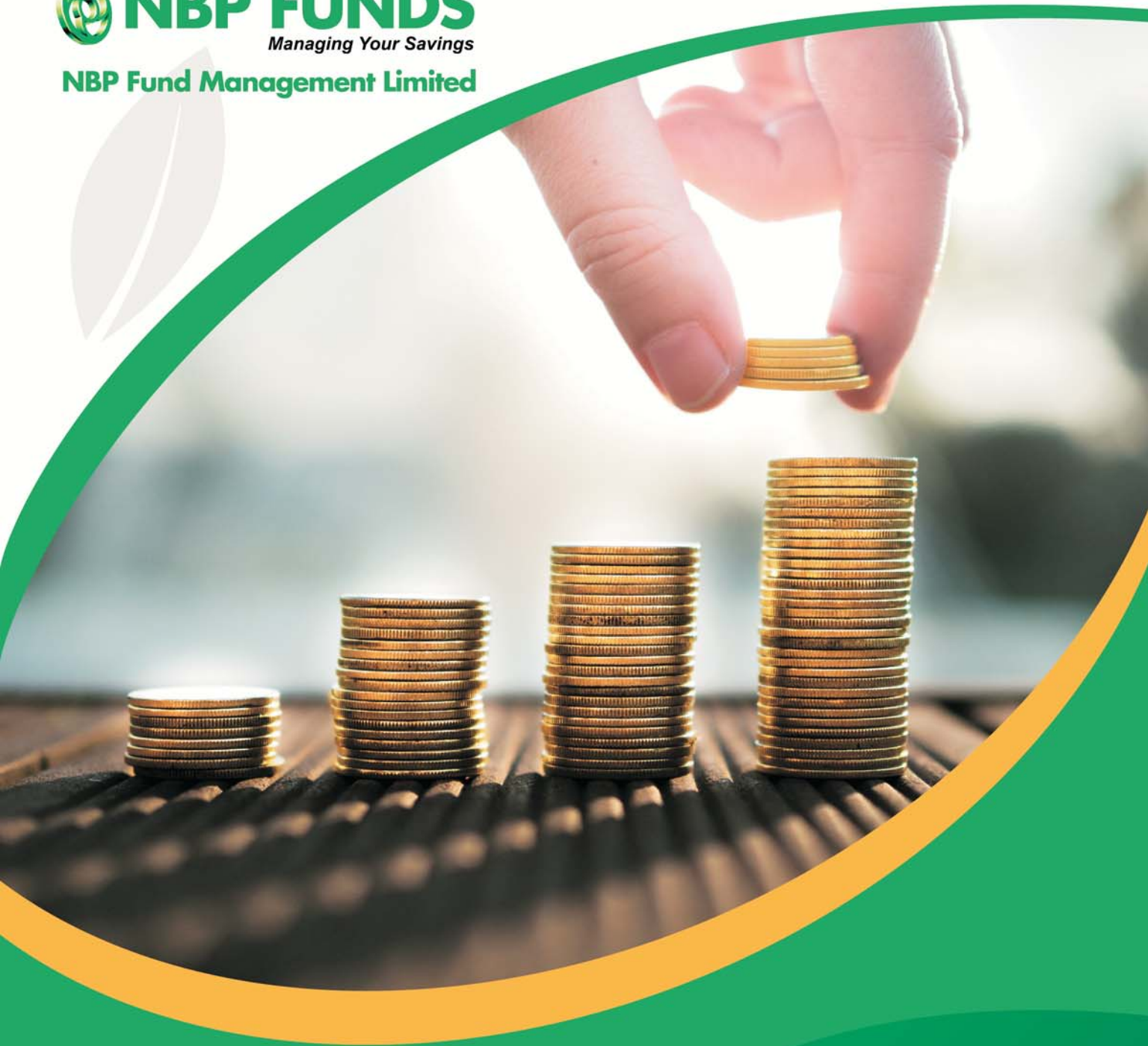




NBP FUNDS

Managing Your Savings

NBP Fund Management Limited



NBP GOVERNMENT SECURITIES LIQUID 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

MCB Bank Limited	Allied Bank Limited
JS Bank Limited	National Bank of Pakistan
Meezan Bank Limited	Samba Bank Limited
Habib Bank Limited	Bank Islami Pakistan Limited
United Bank Limited	Faysal Bank Limited
Bank Alfalah Limited	Soneri Bank Limited
Bank Al Habib Limited	Dubai Islamic Bank Pakistan 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, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Government Securities Liquid Fund (NGSLF)** for the half year 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 risks in 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.

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

The size of NBP Government Securities Liquid Fund has increased from Rs. 1,961 million to Rs. 4,282 million during the period, an extraordinary increase of 118%. The unit price of the Fund has increased from Rs. 9.2732 (Ex-Div) on June 30, 2023 to Rs. 10.2967 on December 31, 2023 thus posting a return of 21.9% p.a. as compared to the benchmark return of 21.4% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 303.214 million during the period. After deducting total expenses of Rs. 18.813 million, the net income is Rs. 284.401 million. The asset allocation of NGSLF as on December 31, 2023 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 10.24% of the opening ex-NAV (10.51% of the par value) during the half year ended December 31, 2023.

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 پہلی ششماہی کے لئے NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

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 کمزور 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 دباؤ کم ہونا شروع ہوا، جس میں مارکیٹ کے شرکاء اپنی میچورٹیز میں بتدریج اضافہ کر رہے تھے۔

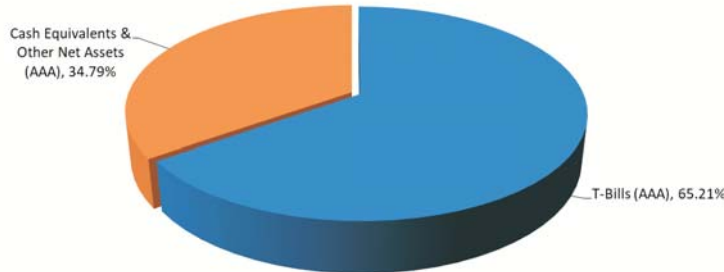
کمزور معاشی سرگرمیوں سے نمٹنے کے لئے اٹھائے گئے اقدامات کا دارومدار مسلسل ہدف شدہ مالی استحکام اور منصوبہ بند بیرونی آمد کی بروقت تکمیل پر ہے۔ دسمبر کے اختتام تک اسٹیٹ بینک پاکستان کے ہاں موجود خالص لیکویڈ زرمبادلہ کے ذخائر تقریباً 8.23 ارب ڈالر تھے۔ SBP نے ٹی بل کی تیرہ بیلابیلوں کا انعقاد کیا، جس سے 16.3 ٹریلین روپے ہدف اور 17.7 ٹریلین روپے میچورٹی کے مقابلہ کل 15.8 ٹریلین روپے کی وصولی ہوئی۔ ٹی بلز کی شرح منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کے لئے بالترتیب 1.4%، 1.5% اور 1.6% تک کمی ہوئی۔ ختم ہونے والی ششماہی کی آخری نیلای 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۔

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

اس مدت کے دوران NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا سائز 1,961 ملین روپے سے بڑھ کر 4,282 ملین روپے ہو گیا یعنی 118% کا غیر معمولی اضافہ ہوا۔ زبرد جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 9.2732 روپے (Ex-Div) سے بڑھ کر 31 دسمبر 2023 کو 10.2967 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے بیچ مارک 21.4% ریٹرن کے مقابلے میں 21.9% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی میٹجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 303.214 ملین روپے کی مجموعی آمدنی کمائی۔ 18.813 ملین روپے کے اخراجات متبہا کرنے کے بعد خالص آمدنی 284.401 ملین روپے ہے۔

31 دسمبر 2023 کو NGSLF کی ایسٹ ایلوکیشن درج ذیل ہے:





آمدنی کی تقسیم

بینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2023 کو ختم ہونے والی ششماہی کے لئے اوپننگ ex-NAV کا 10.24% (بنیادی قدر کا 10.51%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے بینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ 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 اسٹاک اور ڈیٹ 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: 29 فروری 2024ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to 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 Government Securities Liquid Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 29, 2024

INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Government Securities Liquid Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these 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 these condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarter ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the 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 are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Engagement Partner: Noman Abbas Sheikh

Dated: February 29, 2024

UDIN: RR202310061g35XvYaeZ

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2023

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- Rupees in '000 -----	
ASSETS			
Bank balances	4	1,993,565	194,392
Investments	5	2,792,100	1,734,677
Profit receivable		1,897	2,453
Advances and prepayments		9,993	10,138
Receivable against issuance of units		34,364	77,171
Total assets		4,831,919	2,018,831
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	6	54,922	50,613
Payable to the Central Depository Company of Pakistan Limited - the Trustee	7	199	85
Payable to the Securities and Exchange Commission of Pakistan	8	241	260
Payable against purchase of investments		477,829	-
Payable against redemption of units		5,050	3,816
Accrued expenses and other liabilities	9	11,975	3,515
Total liabilities		550,216	58,289
NET ASSETS		4,281,703	1,960,542
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,281,703	1,960,542
CONTINGENCIES AND COMMITMENTS	10		
		----- (Number of units)-----	
NUMBER OF UNITS IN ISSUE		415,831,806	191,006,569
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT	11	10.2967	10.2643

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



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

		Half year ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Note		(Rupees in '000)			
INCOME					
		261,706	80,919	162,025	45,975
		11,316	-	11,316	-
		32,492	10,413	27,018	3,615
		(344)	(186)	93	(190)
		(1,956)	332	(1,588)	296
	5.4	(2,300)	146	(1,495)	106
Total income		303,214	91,478	198,864	49,696
EXPENSES					
	6.1	5,234	1,167	4,221	623
	6.2	680	152	548	81
	6.3	1,722	728	1,135	388
	6.4	8,113	2,914	4,358	1,553
	7.1	758	321	500	171
	7.2	99	42	65	23
	8.1	1,033	117	681	63
		652	617	287	293
		62	35	42	24
		163	121	161	112
		15	14	8	7
		160	146	80	73
		75	91	37	46
		47	10	47	9
Total expenses		18,813	6,475	12,170	3,466
Net income for the period before taxation		284,401	85,003	186,694	46,230
Taxation	13	-	-	-	-
Net income for the period after taxation		284,401	85,003	186,694	46,230
Earnings per unit	14				
Allocation of net income for the period					
		284,401	85,003		
		(15,794)	(1,181)		
		268,607	83,822		
Accounting income available for distribution					
- Relating to capital gains		-	146		
- Excluding capital gains		268,607	83,676		
		268,607	83,822		

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

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

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----			
Net income for the period after taxation	284,401	85,003	186,694	46,230
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	284,401	85,003	186,694	46,230

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000)					
Net assets at the beginning of the period (audited)	1,849,356	111,186	1,960,542	1,114,644	104,578	1,219,222
Issuance of 516,923,465 units (2022: 41,836,128 units)						
- Capital value (at ex-net asset value per unit)	5,305,857	-	5,305,857	427,875	-	427,875
- Element of income	29,932	-	29,932	2,143	-	2,143
Total proceeds on issuance of units	5,335,789	-	5,335,789	430,018	-	430,018
Redemption of 292,098,228 units (2022: 36,746,008 units)						
- Capital value (at ex-net asset value per unit)	(2,998,184)	-	(2,998,184)	(375,816)	-	(375,816)
- Element of loss	(1,227)	(15,794)	(17,021)	(46)	(1,181)	(1,227)
Total payments on redemption of units	(2,999,411)	(15,794)	(3,015,205)	(375,862)	(1,181)	(377,043)
Total comprehensive income for the period	-	284,401	284,401	-	85,003	85,003
Cash distributions during the period ended December 31, 2023						
- @ Re. 0.1476 per unit (Date of declaration: July 26, 2023)	(233)	(24,387)	(24,620)	-	-	-
- @ Re. 0.2027 per unit (Date of declaration: August 29, 2023)	(3,631)	(37,288)	(40,919)	-	-	-
- @ Re. 0.1657 per unit (Date of declaration: September 26, 2023)	(3,263)	(26,257)	(29,520)	-	-	-
- @ Re. 0.1704 per unit (Date of declaration: October 24, 2023)	(5,659)	(35,647)	(41,306)	-	-	-
- @ Re. 0.2018 per unit (Date of declaration: November 28, 2023)	(9,400)	(79,616)	(89,016)	-	-	-
- @ Re. 0.1631 per unit (Date of declaration: December 27, 2023)	(5,745)	(52,698)	(58,443)	-	-	-
	(27,931)	(255,893)	(283,824)	-	-	-
Cash distributions during the period ended December 31, 2022						
- @ Re. 0.1030 per unit (Date of declaration: July 28, 2022)	-	-	-	(26)	(10,505)	(10,531)
- @ Re. 0.1341 per unit (Date of declaration: August 30, 2022)	-	-	-	(129)	(13,504)	(13,633)
- @ Re. 0.1199 per unit (Date of declaration: September 28, 2022)	-	-	-	(352)	(12,733)	(13,085)
- @ Re. 0.1192 per unit (Date of declaration: October 27, 2022)	-	-	-	(1,087)	(13,097)	(14,184)
- @ Re. 0.1301 per unit (Date of declaration: November 29, 2022)	-	-	-	(391)	(16,224)	(16,615)
- @ Re. 0.1238 per unit (Date of declaration: December 27, 2022)	-	-	-	(58)	(14,657)	(14,715)
	-	-	-	(2,043)	(80,720)	(82,763)
Net assets at the end of the period (un-audited)	4,157,803	123,900	4,281,703	1,166,757	107,680	1,274,437
Undistributed income brought forward						
- Realised income		112,980			104,578	
- Unrealised loss		(1,794)			-	
		111,186			104,578	
Accounting income available for distribution						
- Relating to capital gains		-			146	
- Excluding capital gains		268,607			83,676	
		268,607			83,822	
Distributions during the period		(255,893)			(80,720)	
Undistributed income carried forward		123,900			107,680	
Undistributed income carried forward						
- Realised income		125,856			107,348	
- Unrealised (loss) / income		(1,956)			332	
		123,900			107,680	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			10.2643			10.2274
Net assets value per unit at end of the period			10.2967			10.2528

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

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

Chief Financial Officer

Chief Executive Officer

Director

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

		Half year ended	
		December 31, 2023	December 31, 2022
Note		----- (Rupees in '000) -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
	Net income for the period before taxation	284,401	85,003
Adjustments:			
	Income on government securities	(261,706)	(80,919)
	Income from letters of placement	(11,316)	-
	Profit on bank balances	(32,492)	(10,413)
	Loss on sale of investments - net	344	186
	Unrealised diminution / (appreciation) on re-measurement of investment 'classified as 'financial assets at fair value through profit or loss' - net	1,956	(332)
5.4		(303,214)	(91,478)
		(18,813)	(6,475)
(Increase) / decrease in assets			
	Investments - net	(1,629,102)	332
	Advances	145	(2,453)
		(1,628,957)	(2,121)
Increase / (decrease) in liabilities			
	Payable to NBP Fund Management Limited - the Management Company	4,309	696
	Payable to the Central Depository Company of Pakistan Limited - the Trustee	114	13
	Payable to the Securities and Exchange Commission of Pakistan	(19)	(91)
	Payable against purchase of investment	477,829	(35)
	Accrued expenses and other liabilities	8,460	(215)
		490,693	368
	Profit received on bank balances, government securities and letters of placement	306,070	92,863
		306,070	92,863
	Net cash (used in) / generated from operating activities	(851,007)	84,635
CASH FLOWS FROM FINANCING ACTIVITIES			
	Net receipts from issuance of units - net of refund of capital	5,350,665	434,275
	Net payments against redemption of units	(3,013,971)	(376,205)
	Cash distributions made during the period	(255,893)	(80,720)
	Net cash generated from / (used in) financing activities	2,080,801	(22,650)
	Net increase in cash and cash equivalents during the period	1,229,794	61,985
	Cash and cash equivalents at beginning of the period	1,929,069	1,250,836
	Cash and cash equivalents at end of the period	3,158,863	1,312,821
12			

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NBP Government Securities Liquid Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and the Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 10 April 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 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 Trusts Act). The Fund is required to be registered under the Sindh Trusts Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trusts 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 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.4** The Fund has been categorised as an open ended "Money Market Scheme" and is listed on Pakistan Stock Exchange Limited. Units of the fund are offered for public subscription on a continuous basis from May 15, 2009. 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 optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short term government securities.
- 1.6** The Pakistan Credit Rating Agency (PACRA) has reaffirmed the asset manager rating of the Management Company of AM1 (June 30, 2023: AM1). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of the systems and processes. Furthermore, PACRA has maintained the stability rating of the Fund to AAA (f) (June 30, 2023: AAA (f)) dated September 23, 2023.
- 1.7** The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance:

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

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

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

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

2.1.2 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the half year ended December 31, 2023.

3 SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the audited annual financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2023.

3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after January 1, 2024. However, these will not have any significant effects on the Fund's financial statements and are, therefore, not detailed in these condensed interim financial statements.



		(Un-audited) December 31, 2023	(Audited) June 30, 2023
4	BANK BALANCES	Note	----- (Rupees in '000) -----
	Balances with banks in:		
	Savings accounts	4.1	1,993,539
	Current accounts	4.2	26
			<u>1,993,565</u>
			<u>194,392</u>

4.1 These include a balance of Rs.1.6 million (June 30, 2023: Rs.0.838 million) maintained with the National Bank of Pakistan (a related party) that carry profit at the rate of 20.50% (June 30, 2023: 18.40%) per annum. Other savings accounts of the Fund carry profit at the rates ranging from 11.01% to 21.85% (June 30, 2023: 10.00% to 19.50%) per annum.

4.2 This represents balance maintained with the National Bank of Pakistan (a related party).

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
5	INVESTMENTS	Note	----- (Rupees in '000) -----
	Financial assets at 'fair value through profit or loss'		
	Market Treasury Bills	5.1	2,792,100
	Pakistan Investment Bonds	5.2	-
	Letters of Placement	5.3	-
			<u>2,792,100</u>
			<u>1,734,677</u>

5.1 Market Treasury Bills - at fair value through profit or loss

Particulars	Issue date	Maturity date	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution)	Percentage in relation to	
			As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at Dec 31, 2023				net assets of the Fund	total market value of investments
----- Rupees in '000 -----									-----	% -----	
Market Treasury Bills - 12 Months	July 14, 2022	July 13, 2023	175,000	-	175,000	-	-	-	-	-	-
Market Treasury Bills - 3 Months	May 4, 2023	July 25, 2023	553,500	-	553,500	-	-	-	-	-	-
Market Treasury Bills - 3 Months	June 15, 2023	September 7, 2023	835,000	175,000	1,010,000	-	-	-	-	-	-
Market Treasury Bills - 3 Months	May 18, 2023	August 10, 2023	-	200,000	200,000	-	-	-	-	-	-
Market Treasury Bills - 3 Months	June 22, 2023	September 21, 2023	225,000	176,650	401,650	-	-	-	-	-	-
Market Treasury Bills - 3 Months	August 10, 2023	November 2, 2023	-	6,500,000	6,500,000	-	-	-	-	-	-
Market Treasury Bills - 12 Months	October 6, 2022	October 5, 2023	-	1,000,000	1,000,000	-	-	-	-	-	-
Market Treasury Bills - 3 Months	July 25, 2023	October 19, 2023	-	1,550,000	1,550,000	-	-	-	-	-	-
Market Treasury Bills - 3 Months	September 21, 2023	December 14, 2023	-	460,000	460,000	-	-	-	-	-	-
Market Treasury Bills - 3 Months	October 5, 2023	December 28, 2023	-	344,420	344,420	-	-	-	-	-	-
Market Treasury Bills - 3 Months	October 19, 2023	January 11, 2024	-	1,000,000	500,000	500,000	497,168	497,015	(153)	11.61%	17.80%
Market Treasury Bills - 6 Months	October 19, 2023	April 18, 2024	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 3 Months	November 2, 2023	January 25, 2024	-	500,000	307,000	193,000	190,361	190,305	(56)	4.44%	6.82%
Market Treasury Bills - 6 Months	November 2, 2023	May 2, 2024	-	950,000	-	950,000	887,496	886,778	(718)	20.71%	31.76%
Market Treasury Bills - 3 Months	August 24, 2023	November 16, 2023	-	350,000	350,000	-	-	-	-	-	-
Market Treasury Bills - 12 Months	November 17, 2022	November 16, 2023	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 3 Months	September 7, 2023	November 30, 2023	-	1,300,000	1,300,000	-	-	-	-	-	-
Market Treasury Bills - 3 Months	November 16, 2023	February 7, 2024	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 6 Months	November 16, 2023	May 16, 2024	-	650,000	-	650,000	603,091	602,123	(968)	14.06%	21.57%
Market Treasury Bills - 3 Months	November 30, 2023	February 22, 2024	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 6 Months	November 30, 2023	May 30, 2024	-	150,000	-	150,000	138,111	137,901	(210)	3.22%	4.94%
Market Treasury Bills - 3 Months	December 28, 2023	March 21, 2024	-	500,000	-	500,000	477,829	477,978	149	11.16%	17.12%
Total as at December 31, 2023 (un-audited)			1,788,500	17,806,070	16,651,570	2,943,000	2,794,056	2,792,100	(1,956)		
Total as at June 30, 2023 (audited)							1,736,471	1,734,677	(1,794)		



5.1.1 These carry yields at the rates ranging from 21.30% to 21.84% to per annum.

5.2 Pakistan Investment Bonds- at fair value through profit or loss

Particulars	Issue date	Maturity date	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution)	Investment as a percentage of		
			As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at December 31, 2023				net assets of the Fund	total market value of investments	
Rupees in '000											%	
Pakistan Investment Bonds - 2 years	December 30, 2021	December 30, 2023	-	550,000	550,000	-	-	-	-	-	-	
Total as at December 31, 2023 (un-audited)						-	-	-	-			
Total as at June 30, 2023 (audited)						-	-	-	-			

5.3 Letters of Placement - at fair value through profit or loss

Name of the investee company	Rating	Maturity date	Profit rate	As at July 1, 2023	Amount placed		As at December 31, 2023	As at December 31, 2023		Market value as a percentage of	
					Purchased during the year	Matured during the year		Carrying value	Market value	net assets of the Fund	total market value of investments
					----- (Rupees in '000) -----				----- (%) -----		
DEVELOPMENT FINANCE INSTITUTION											
PAIR Investment Company Limited	AA	November 10, 2023	22.05%	-	400,000	400,000	-	-	-	-	-
Pak-Oman Investment Company Limited	AA+	November 10, 2023	21.90%	-	400,000	400,000	-	-	-	-	-
PAIR Investment Company Limited	AA	November 17, 2023	22.05%	-	400,000	400,000	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA	November 24, 2023	22.00%	-	450,000	450,000	-	-	-	-	-
PAIR Investment Company Limited	AA	November 24, 2023	22.05%	-	400,000	400,000	-	-	-	-	-
PAIR Investment Company Limited	AA	December 1, 2023	22.05%	-	400,000	400,000	-	-	-	-	-
PAIR Investment Company Limited	AA	December 8, 2023	22.05%	-	400,000	400,000	-	-	-	-	-
Total as at December 31, 2023 (un-audited)							-	-	-		
Total as at June 30, 2023 (audited)							-	-	-		

5.4 Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net

Note

(Un-audited)
December 31,
2023

(Audited)
June 30,
2023

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

Market value of investments	5.1, 5.2 & 5.3	2,792,100	1,734,677
Less: carrying value of investments	5.1, 5.2 & 5.3	(2,794,056)	(1,736,471)
		(1,956)	(1,794)

6 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY

Remuneration of the Management Company	6.1	1,987	295
Sindh sales tax payable on remuneration of the Management Company	6.2	258	38
Reimbursement of allocated expenses payable	6.3	1,135	487
Reimbursement of selling and marketing expenses payable	6.4	4,358	3,072
Sales load including Sindh sales tax		1,256	919
Federal excise duty on remuneration of the Management Company	6.5	45,779	45,779
ADC charges payable including Sindh sales tax		149	23
		54,922	50,613

- 6.1** 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% per annum on the daily income of the Fund for the period July 1, 2023 to November 9, 2023 and the rate of 3% per annum on the daily income of the Fund for the period November 10, 2023 to December 31, 2023 subject to minimum 0.2% of average annual net assets and maximum 1% of average annual assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.
- 6.2** During the period, an amount of Rs. 0.68 million (December 31, 2022: Rs. 0.152 million) was charged on account of sales tax on management fee levied through the Sindh Sales tax on Services Act, 2011 at the rate of 13% (December 31, 2022: 13%).
- 6.3** 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).

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

Rate applicable from July 1, 2023 to December 31, 2023	Rate applicable from July 1, 2022 to June 30, 2023
0.125% of average annual net assets	0.125% of average annual net assets

- 6.4** In accordance with Circular 11 dated July 5, 2019 of SECP 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, subject to total expense being lower than actual expense incurred.

From November 10, 2023 to December 31, 2023	From July 1, 2023 to November 9, 2023	From July 1, 2022 to March 9, 2023	From March 10, 2023 to April 6, 2023	From April 7, 2023 to April 19, 2023	From April 20, 2023 to June 30, 2023
0.3% of average annual net assets	0.8% of average annual net assets	0.5% of average annual net assets	0.7% of average annual net assets	0.75% of average annual net assets	0.8% of average annual net assets

- 6.5** 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 Honourable Supreme Court of Pakistan (SHC) 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 45.777 million (June 30, 2023: Rs 45.777 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2023 would have been higher by Re 0.1101 (June 30, 2023: Re 0.239) per unit.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
7	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE	Note	----- (Rupees in '000) -----
	Trustee fee payable	7.1	176
	Sindh sales tax payable on Trustee fee	7.2	23
		<u>199</u>	<u>85</u>

- 7.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed. During the period, remuneration has been charged as follows:

Rate applicable from July 1, 2023 to December 31, 2023	Rate applicable from July 1, 2022 to June 30, 2023
0.055% of average annual net assets	0.055% of average annual net assets

- 7.2 During the period, an amount of Rs 0.01 million (December 31, 2022: Rs 0.042 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh sales tax on Services Act, 2011 at the rate of 13% (December 31, 2022: 13%).

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
8	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- (Rupees in '000) -----
	Annual fee payable	8.1	<u>241</u>

- 8.1 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).

Effective from July 1, 2023, the SECP vide SRO No. 592 (I)/2023 dated May 17, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to "Money Market Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
9	ACCRUED EXPENSES AND OTHER LIABILITIES	----- (Rupees in '000) -----	
	Auditors' remuneration	738	767
	Bank charges	54	1,858
	Withholding tax	9,409	104
	Capital gain tax	1,021	190
	Legal and Professional charges	106	17
	Others	647	579
		<u>11,975</u>	<u>3,515</u>

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

11 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim 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.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
12 CASH AND CASH EQUIVALENTS	Note	----- (Rupees in '000) -----	
Balances with banks in:			
Bank Balances	4	1,993,565	100,091
Market Treasury Bills	12.1	1,165,298	1,212,730
		<u>3,158,863</u>	<u>1,312,821</u>

12.1 These represent market treasury bills with original maturity of three months or less (see note 5.1).

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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

14 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.

15 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund based on the current period is 1.36% (December 31, 2022: 1.11%) which includes 0.13% (December 31, 2022: 0.05%) representing government levy, sales tax and annual fee to the SECP. The prescribed limit for the ratio is 2% (December 31, 2022: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as "Money Market Scheme".

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

16.1 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 (NBP) 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 management by the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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



- 16.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
16.6 Details of transactions with related parties / connected persons during the period are as follows:	----- (Rupees in '000) -----	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	5,234	1,167
Sindh sales tax on remuneration of the Management Company	680	152
Reimbursement of selling and marketing expenses	8,113	2,914
Reimbursement of allocated expenses	1,722	728
Sales load and Sindh sales tax on sales load	337	175
ADC charges paid including Sindh sales tax	127	36
National Bank of Pakistan (Parent of the Management Company)		
Bank profits earned in the savings account	63	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	758	321
Sindh sales tax on remuneration of the Trustee	99	42
Employees of the Management Company		
Dividend reinvested: 39,412 units (2022: 21,428 units)	405	219
Units issued / transferred in: 2,342,073 units (2022: 88,960 units)	24,065	911
Units redeemed / transferred out: 2,197,904 units (2022: 70,666 units)	22,715	728
NBP Employees Pension Fund - Pension Fund of the Parent Company		
Dividend reinvested: 2,980,801 units (2022: 2,070,236 units)	30,613	21,182
Units issued / transferred in: 1,358 units (2022: 730)**	-	-
National Fullerton Asset Management Limited Employees Provident Fund - Provident Fund of the Management Company		
Dividend reinvested: 55,884 units (2022: Nil units)	574	-
Units issued / transferred in: 2,511,528 units (2022: Nil units)	25,787	-
Units redeemed / transferred out: 2,047,678 units (2022: Nil units)	21,097	-
Fauji Fertilizer Company Limited - common directorship		
Dividend reinvested: 738,293 units (2022: 13 units)**	7,582	-
Units issued / transferred in: 65,257,723 units (2022: Nil)	669,824	-
Units redeemed / transferred out: 34,738,879 units (2022: 457 units)	357,946	5
Portfolios managed by the Management Company		
Dividend reinvested: 513,909 units (2022: Nil)	5,278	-
Units issued / transferred in: 14,170,793 units (2022: 31,971 units)	145,474	327
Units redeemed / transferred out: 5,531,368 units (2022: 14,509,272 units)	56,997	148,658

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
16.7 Amounts outstanding as at period / year end are as follows :	----- (Rupees in '000) -----	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	1,987	295
Sindh sales tax payable on remuneration of the	258	38
Reimbursement of allocated expenses payable	1,135	487
Reimbursement of selling and marketing expenses payable	4,358	3,072
Sales load including Sindh sales tax	1,256	919
ADC charges payable including Sindh sales tax	149	23
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable to the Trustee	176	75
Sindh sales tax payable on remuneration of the Trustee	23	10
National Bank of Pakistan - Parent of the Management Company		
Bank Balance	1,626	864
Profit accrued on bank balances	1	2
Employees of the Management Company		
Units held: 856,680 units (June 30, 2023: 672,498 units)	8,821	6,903
NBP Employees Pension Fund - Pension Fund of the Parent company		
Units held: 36,034,572 units (June 30, 2023: 33,052,413 units)	371,037	339,260
National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company		
Units held: 1,383,543 units (June 30, 2023: 863,809 units)	14,246	8,866
Fauji Fertilizer Company Limited - Common directorship		
Units held: 31,257,137 units (June 30, 2023: Nil units)	321,845	-
Murree Brewery Company Limited - unit holder of 10% or more of units of the Fund *		
Units held: Nil (June 30, 2023: 19,555,312 units)	-	200,000
Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer** of the Management Company		
Units held: 3 units (June 30, 2023: 3 units)	-	-
Portfolios managed by the Management Company		
Units held: 14,515,721 units (June 30, 2023: 5,362,387 units)	149,464	55,042

* Current period figures have not been presented as the person is not a related party / connected person as at December 31, 2023.

** Nil figures due to rounding off

17 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.

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

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

17.1 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 December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value.

----- Un-audited -----				
----- As at December 31, 2023 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees in 000 -----				
At fair value through profit or loss				
Market Treasury Bills	-	2,792,100	-	2,792,100
	-	2,792,100	-	2,792,100

----- Audited -----				
----- As at June 30, 2023 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees in 000 -----				
At fair value through profit or loss				
Market Treasury Bills	-	1,734,677	-	1,734,677
	-	1,734,677	-	1,734,677

18 GENERAL

- 18.1** Figures in these condensed interim financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.



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

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 29, 2024.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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