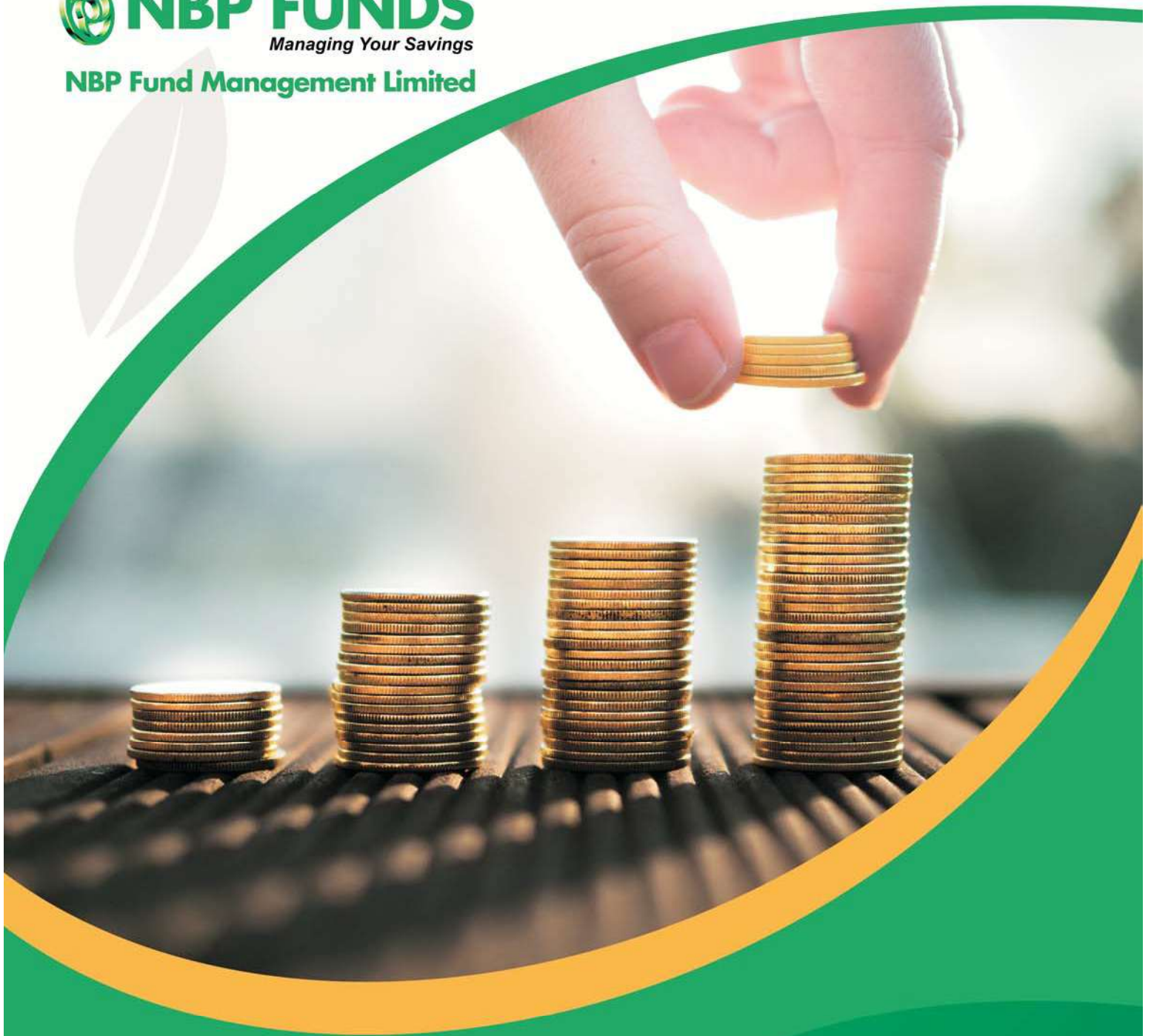




NBP FUNDS

Managing Your Savings

NBP Fund Management Limited



NBP GOVERNMENT SECURITIES SAVINGS 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."

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	09
INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNIT HOLDERS	10
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	11
CONDENSED INTERIM INCOME STATEMENT	12
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	13
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	14
CONDENSED INTERIM CASH FLOW STATEMENT	15
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION	16

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 Shakra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Khushali Microfinance Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Mobilink Microfinance Bank Limited
Telenor Microfinance Bank Limited
HBL Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited
Samba Bank Limited

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Government Securities Savings Fund (NGSSF)** for the half year ended December 31, 2023.

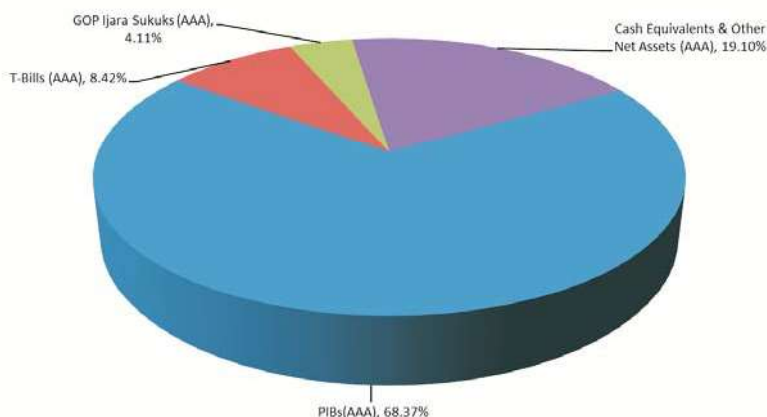
Fund's Performance

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 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. SBP also held six PIB auctions, where bids worth around Rs. 953 billion were realized. The yields decreased by 2.9%, 0.2% and 0.4% for 3-year, 5-year and 10-year tenures, respectively during the period. In the last auction for the half-year ended, cut-off yields for 3-year, 5-year and 10-year tenures were noted at 17.20%, 15.88% and 15.00%, respectively.

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

The size of NBP Government Securities Savings Fund has increased from Rs. 5,427 million to Rs. 6,694 million during the period, a growth of 23%. During the period, the unit price of the Fund has increased from Rs. 9.4271 (Ex-Div) on June 30, 2023 to Rs. 10.4735 on December 31, 2023 thus showing return of 22.0% p.a. as compared to the benchmark return of 22.3% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses. The Fund has been assigned a stability rating of 'AA- (f)' by PACRA.

The Fund has earned a total income of Rs. 910.49 million during the period. After deducting total expenses of Rs. 59.56 million, the net income is Rs. 850.94 million. The asset allocation of NGSSF as on December 31, 2023 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 10.90% of the opening ex-NAV (11.39% 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 ششماہی کے لئے NBP گورنمنٹ سیکیورٹیز سیونگ فنڈ (NGSSF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

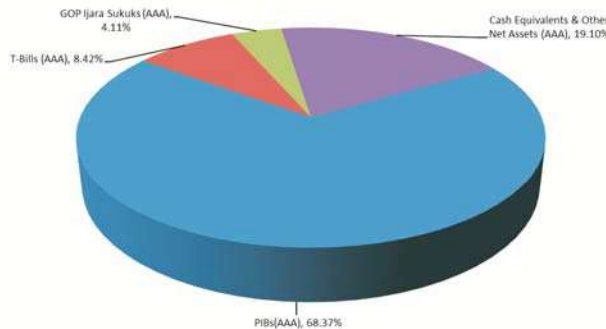
فنڈ کی کارکردگی

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 دو اہم ہونا شروع ہوا، جس میں مارکیٹ کے شرکاء اپنی مینجورٹیز میں بتدریج اضافہ کر رہے تھے۔ کمزور 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 بل کی تیرہ نیلامیوں کا انعقاد کیا، جس سے 16.3 ٹریلین روپے ہدف اور 17.7 ٹریلین روپے مینجورٹی کے مقابل 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 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۔ SBP نے چھ پی آئی بی نیلامیاں بھی کیں، جہاں تقریباً 953 ملین روپے کی بولیاں وصول کی گئیں۔ اس مدت کے دوران، 3 سالہ، 5 سالہ اور 10 سالہ مدتوں کے لئے شرح منافع بالترتیب 2.9 فیصد، 0.2 فیصد اور 0.4 فیصد تک کم ہوا۔ ختم ہونے والی ششماہی کی آخری نیلامی میں، 3 سالہ، 5 سالہ اور 10 سالہ مدتوں کے لئے کٹ آف منافع بالترتیب 17.20 فیصد، 15.88 فیصد اور 15.00 فیصد درج کیا گیا۔

NBP گورنمنٹ سیکیورٹیز سیونگ فنڈ (NGSSF) گورنمنٹ سیکیورٹیز میں کم از کم 70% سرمایہ کاری کرتا ہے۔ فنڈ اپنے اثاثوں کا 10% کم از کم 90 دنوں سے بھی کم عرصہ میں ٹی بلز یا بینکوں کے ہاں بچت کھاتوں میں لگا رہتا ہے، جس سے فنڈ کی لیکویڈیٹی پر فائدہ میں اضافہ ہوتا ہے۔

موجودہ مدت کے دوران NBP گورنمنٹ سیکیورٹیز سیونگ فنڈ (NGSSF) کا سائز 5,427 ملین روپے سے بڑھ کر 6,694 ملین روپے ہو گیا (یعنی 23% کا اضافہ)۔ موجودہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 9.4271 روپے سے بڑھ کر 31 دسمبر 2023 کو 10.4735 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے بیچ مارک ریٹرن 22.3% سالانہ کے مقابلے میں 22.0% کا منافع ظاہر کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کی طرف سے 'AA- (f)' کی مستحکم درجہ بندی تفویض کی گئی ہے۔

فنڈ نے موجودہ مدت کے دوران 910.49 ملین روپے کی مجموعی آمدنی کمائی۔ 59.56 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 850.94 ملین روپے ہے۔ 31 دسمبر 2023 کو NGSSF کی ایسٹ ایلوکیشن درج ذیل ہے:





آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2023 کو ختم ہونے والی ششماہی کے دوران اوپننگ ex-NAV کا 10.90% (بنیادی قدر کا 11.39%) عبوری نقد ڈیویڈنڈ منظور کیا ہے۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی 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 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 Savings Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 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;
- (iii) 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; and
- (iv) 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 28, 2024

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Government Securities Savings 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: RR202310061B6fg42Rex

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

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
Note		----- (Rupees in 000) -----	
ASSETS			
	4	1,292,568	1,915,810
Bank balances			
	5	5,415,435	3,456,633
Investments			
Profit receivable		235,306	105,262
Deposit, prepayment and other receivables		758	3,489
Receivable against transfer of units		23,028	-
Total assets		<u>6,967,095</u>	<u>5,481,194</u>
LIABILITIES			
	6	30,952	19,044
Payable to NBP Fund Management Limited - the Management Company			
Payable to Central Depository Company of Pakistan Limited - the Trustee	7	420	287
Payable to the Securities and Exchange Commission of Pakistan	8	507	305
Payable against purchase of investments		-	141
Payable against redemption of units		180,885	15,657
Accrued expenses and other liabilities	9	60,189	19,171
Total liabilities		<u>272,953</u>	<u>54,605</u>
NET ASSETS		<u>6,694,142</u>	<u>5,426,589</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>6,694,142</u>	<u>5,426,589</u>
CONTINGENCIES AND COMMITMENTS	10	-	-
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		<u>639,151,798</u>	<u>519,071,888</u>
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT	11	<u>10.4735</u>	<u>10.4544</u>

The annexed notes 1 to 18 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 AND QUARTER 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					
		755,201	8,209	409,905	4,274
		163,122	2,825	86,429	1,377
		918,323	11,034	496,334	5,651
		(401)	(3)	(1,656)	-
		(7,428)	(144)	(20,672)	(84)
		(7,829)	(147)	(22,328)	(84)
		910,494	10,887	474,006	5,567
EXPENSES					
		13,241	151	7,008	76
		1,721	20	911	10
		6,094	85	3,293	42
		31,280	477	16,900	239
		2,234	38	1,207	19
		290	5	156	3
		3,047	14	1,646	7
		307	341	153	181
		74	74	37	19
		1,059	1	533	1
		92	11	48	4
		14	14	7	7
		96	86	48	43
		9	31	4	26
		59,558	1,348	31,951	677
		850,936	9,539	442,055	4,890
		-	-	-	-
		850,936	9,539	442,055	4,890
Earnings per unit					
		850,936	9,539		
		(574,962)	(405)		
		275,974	9,134		
Accounting income available for distribution:					
		-	-		
		275,974	9,134		
		275,974	9,134		

The annexed notes 1 to 18 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	850,936	9,539	442,055	4,890
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>850,936</u>	<u>9,539</u>	<u>442,055</u>	<u>4,890</u>

The annexed notes 1 to 18 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 UNIT HOLDERS' 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 beginning of the period (audited)	5,363,692	62,897	5,426,589	95,984	42,340	138,324
Issuance of 1,289,505,388 units (2022: 4,236,034 units)						
- Capital value (at net asset value per unit at the beginning of the period)	13,481,006	-	13,481,006	18,114	-	18,114
- Element of income	598,727	-	598,727	892	-	892
Total proceeds on issuance of units	14,079,733	-	14,079,733	19,006	-	19,006
Redemption of 1,169,425,478 units (2022: 2,670,561 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(12,225,642)	-	(12,225,642)	(27,142)	-	(27,142)
- Element of loss	(263,083)	(574,962)	(838,045)	(580)	(405)	(985)
Total payments on redemption of units	(12,488,725)	(574,962)	(13,063,687)	(27,722)	(405)	(28,127)
Total comprehensive income for the period	-	850,936	850,936	-	9,539	9,539
Cash distributed during the period ended December 31, 2023 -@ Rs. 1.1393 per unit (Date of declaration: Dec 27, 2023)	(336,323)	(263,106)	(599,429)	-	-	-
Net assets at end of the period (un-audited)	6,618,377	75,765	6,694,142	87,268	51,474	138,742
Undistributed income brought forward						
- Realised income		70,579			42,794	
- Unrealised loss		(7,682)			(454)	
		62,897			42,340	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		275,974			9,134	
		275,974			9,134	
Interim distributions during the period		(263,106)			-	
Undistributed income carried forward		75,765			51,474	
Undistributed income carried forward						
- Realised income		83,193			51,618	
- Unrealised loss		(7,428)			(144)	
		75,765			51,474	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		10,4544			10,4090	
Net assets value per unit at end of the period		10,4735			11,1695	

The annexed notes 1 to 18 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	2022
		(Rupees in 000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Net income for the period before taxation		850,936	9,539
Adjustments:			
Income on government securities		(755,201)	(8,209)
Profit on bank balances		(163,122)	(2,825)
Loss on sale of investments - net		401	3
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.4	7,428	144
		(910,494)	(10,887)
(Increase) / decrease in assets			
Investments - net		(1,966,631)	(19,625)
Deposits and other receivables		2,731	119
		(1,963,900)	(19,506)
Increase / (decrease) in liabilities			
Payable to NBP Fund Management Limited - the Management Company		11,908	(25)
Payable to Central Depository Company of Pakistan Limited - the Trustee		133	-
Payable to the Securities and Exchange Commission of Pakistan		202	(20)
Payable against purchase of investments		(141)	-
Accrued expenses and other liabilities		41,018	(1,728)
		53,120	(1,773)
Profit received on bank deposits and government securities		788,279	10,631
Net cash used in operating activities		(1,182,059)	(11,996)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units - net of refund of element		13,720,382	17,066
Net payments against redemption of units		(12,898,459)	(26,635)
Dividend paid		(263,106)	-
Net cash generated from / (used in) financing activities		558,817	(9,569)
Net decrease in cash and cash equivalents during the period		(623,242)	(21,568)
Cash and cash equivalents at the beginning of the period		1,915,810	94,501
Cash and cash equivalents at the end of the period	4.2	1,292,568	72,933

The annexed notes 1 to 18 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 Savings Fund (the Fund) was established under a Trust Deed entered into between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 5, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2014 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 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 income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited.
- 1.5** The objective of the Fund is to provide unit holders with a competitive return from a portfolio of low credit risk securities by investing primarily in government securities.
- 1.6** The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (June 30, 2023: AM1) on June 22, 2023. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at "AA-(f)" dated September 28, 2023 (June 30, 2023: "AA-(f)" on March 28, 2023).
- 1.7** The title to the assets of the Fund is held in the name of CDC 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 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 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.

2.2 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.

2.3 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 July 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.

NBP GOVERNMENT SECURITIES SAVINGS FUND



			(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note		----- (Rupees in 000) -----	
4 BANK BALANCES				
Balances with banks in:				
Savings accounts	4.1		1,292,568	1,915,810
			<u>1,292,568</u>	<u>1,915,810</u>

- 4.1** These include balances of Rs 0.390 million (June 30, 2023: Rs 0.169 million) and Rs 0.090 million (June 30, 2023: Rs 0.088 million) maintained with National Bank of Pakistan and Telenor Microfinance Bank Limited (related parties) that carry profit at the rate of 20.50% (June 30, 2023: 19.50%) per annum and 20.50% (June 30, 2023: 19.50%) per annum respectively. Other savings accounts of the Fund carry profit at the rate ranging from 20% to 22.60% per annum (June 30, 2023: 12.25% to 22.45% per annum).

			(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note		----- (Rupees in 000) -----	
4.2 Cash and cash equivalents:				
Balances with banks	4		1,292,568	1,915,810
			<u>1,292,568</u>	<u>1,915,810</u>

5 INVESTMENTS

At fair value through profit or loss

Government securities - Market Treasury Bills (MTMs)	5.1	563,445	-
Government securities - Pakistan Investment Bonds (PIBs)	5.2	4,576,552	3,456,633
Government securities - GOP Ijara Sukuks	5.3	275,438	-
		<u>5,415,435</u>	<u>3,456,633</u>

5.1 Government securities - Market Treasury Bills (MTMs)

Issue date	Maturity date	Tenor in months	Yield	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised (diminution) / appreciation	Market value as a percentage of	
				As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023				net assets of the Fund	total investments of the Fund
				(Rupees in 000)								(%)
June 15, 2023	September 7, 2023	3	22.40%	-	500,000	500,000	-	-	-	-	-	-
August 10, 2023	November 2, 2023	3	22.92%	-	500,000	500,000	-	-	-	-	-	-
October 5, 2023	December 28, 2023	3	22.40%	-	500,000	500,000	-	-	-	-	-	-
October 19, 2023	January 11, 2024	3	22.14%	-	500,000	500,000	-	-	-	-	-	-
November 2, 2023	January 25, 2024	3	21.84%	-	500,000	500,000	-	-	-	-	-	-
November 16, 2023	February 7, 2024	3	21.29%	-	500,000	500,000	-	-	-	-	-	-
October 19, 2023	April 18, 2024	6	22.39%	-	300,000	300,000	-	-	-	-	-	-
November 2, 2023	May 2, 2024	6	21.84%	-	1,930,000	1,930,000	-	-	-	-	-	-
November 16, 2023	May 16, 2024	6	21.46%	-	500,000	500,000	-	-	-	-	-	-
April 20, 2023	April 18, 2024	12	21.60%	-	16,420	-	16,420	15,463	15,446	(17)	0.23%	0.29%
May 4, 2023	May 2, 2024	12	21.60%	-	48,485	-	48,485	45,316	45,258	(58)	0.68%	0.84%
October 19, 2023	October 17, 2024	12	22.07%	-	530,000	-	530,000	453,886	453,166	(720)	6.77%	8.37%
November 2, 2023	October 31, 2024	12	21.91%	-	500,000	500,000	-	-	-	-	-	-
November 16, 2023	November 14, 2024	12	21.43%	-	1,300,000	1,300,000	-	-	-	-	-	-
November 30, 2023	November 28, 2024	12	21.40%	-	500,000	500,000	-	-	-	-	-	-
December 28, 2023	December 26, 2024	12	21.30%	-	60,000	-	60,000	49,599	49,575	(24)	0.74%	0.92%
Total as at December 31, 2023 (Un-audited)								564,264	563,445	(819)	8.42%	10.42%
Total as at June 30, 2023 (Audited)								-	-	-	-	-

NBP GOVERNMENT SECURITIES SAVINGS FUND



5.2 Government securities - Pakistan Investment Bonds (PIBs)

Issue date	Maturity date	Tenor in years	Yield	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution)	Market value as a percentage of			
				As at July 01, 2023	Purchased during the period	Sold during the period	As at December 31, 2023				net assets of the Fund	total investments of the Fund		
											----- (Rupees in 000) -----		----- (%) -----	
October 22, 2020	October 22, 2023	3		50,000	1,000,000	1,050,000	-	-	-	-	-	-		
August 26, 2021	August 26, 2023	2		980,000	-	980,000	-	-	-	-	-	-		
September 8, 2022	September 8, 2024	2		1,155,600	3,804,500	4,960,100	-	-	-	-	-	-		
November 17, 2022	November 17, 2027	5		10,000	-	-	10,000	9,545	9,707	162	0.15%	0.18%		
February 9, 2023	February 9, 2025	2		1,295,000	900,000	1,000,000	1,195,000	1,183,794	1,182,450	(1,344)	17.66%	21.83%		
July 4, 2023	July 4, 2026	3		-	1,150,000	1,150,000	-	-	-	-	-	-		
April 6, 2023	April 6, 2025	2		-	1,250,000	36,100	1,213,900	1,201,717	1,199,690	(2,027)	17.92%	22.15%		
October 19, 2023	October 19, 2026	3		-	300,000	-	300,000	294,328	294,330	2	4.40%	5.44%		
October 19, 2023	October 19, 2028	5		-	1,200,000	430,000	770,000	748,145	746,355	(1,790)	11.15%	13.78%		
September 21, 2023	September 21, 2026	3		-	250,000	-	250,000	245,575	245,200	(375)	3.66%	4.53%		
September 21, 2023	September 21, 2028	5		-	925,000	-	925,000	900,495	898,820	(1,675)	13.43%	16.60%		
December 30, 2021	December 30, 2023	2		-	2,848,500	2,848,500	-	-	-	-	-	-		
Totals as at December 31, 2023 (Un-audited)								4,583,599	4,576,552	(7,047)	68.37%	84.51%		
Totals as at June 30, 2023 (Audited)								3,464,315	3,456,633	(7,682)				

5.3 Government securities - GOP Ijarah Sukuks

Name of Security	Profit payments / Principal redemptions	Maturity date	Profit rate	As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution)	Market value as a percentage of	
											net assets of the Fund	total investments of the Fund
											Number of certificates	
GoP Ijarah sukuk GIS - VRR - XXXIX (Face value of Rs. 100,000 per certificate)	Semi-annually	October 9, 2023	Weighted average six months T-bills	-	100,000	100,000	-	-	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XL (Face value of Rs. 100,000 per certificate)	Semi-annually	December 24, 2024	Weighted average six months T-bills	-	5,000	-	5,000	25,000	25,125	125	0.38%	0.46%
GoP Ijarah sukuk GIS - VRR - XLI (Face value of Rs. 100,000 per certificate)	Semi-annually	December 24, 2026	Weighted average six months T-bills	-	15,000	-	15,000	75,000	75,090	90	1.12%	1.39%
GoP Ijarah sukuk GIS - VRR - XLII (Face value of Rs. 100,000 per certificate)	Semi-annually	December 24, 2028	Weighted average six months T-bills	-	20,000	-	20,000	100,000	99,960	(40)	1.49%	1.85%
GoP Ijarah sukuk GIS - FRR - XXXII (Face value of Rs. 100,000 per certificate)	Semi-annually	December 24, 2026	16.19%	-	15,000	-	15,000	75,000	75,263	263	1.12%	1.39%
Total as at December 31, 2023 (Un-audited)								275,000	275,438	438	4.11%	5.09%
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
Market value of investments	5.1, 5.2, 5.3	5,415,435	3,456,633
Less: carrying value of investments	5.1, 5.2, 5.3	5,422,863	(3,464,315)
		(7,428)	(7,682)

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
6	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	----- (Rupees in 000) -----
	Remuneration payable to the Management Company	6.1	1,991
	Sindh sales tax payable on remuneration of the Management Company	6.2	259
	Reimbursement of allocated expenses payable	6.3	3,292
	Reimbursement of selling and marketing expenses payable	6.4	16,900
	Federal excise duty on remuneration of the Management Company	6.5	1,865
	Federal excise duty on sales load	6.5	371
	Sales and transfer load		5,339
	Sindh sales tax on sales load		714
	ADC charges payable including Sindh sales tax		176
	Other payable to the Management Company		45
			<u>30,952</u>
			<u>19,044</u>

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 the management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at 1.5% of net income of the Fund subject to floor and capping of 0.2% and 1% per annum of average annual net assets respectively (June 30, 2023: 1.5% of net income of the Fund subject to floor and capping of 0.2% and 1% per annum of average annual net assets) during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 1.1721 million (December 31, 2022: Rs. 0.02 million) was charged on account of sales tax on the management fee levied through the Sindh Sales Tax on Services Act, 2011 @ 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 allocated expenses under the following rates:

Rate applicable from July 1, 2023 to December 31, 2023	Rate applicable From July 1, 2022 till March 15, 2023	Rate applicable From March 16, 2023 till June 30, 2023
0.15% of average annual net assets	0.125% of average annual net assets	0.15% of average annual net assets

6.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008.

Rate applicable from July 1, 2023 to December 31, 2023	Rate applicable From July 1, 2022 till June 30, 2023
0.77% of average annual net assets	0.40% 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 sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

During the year ended June 30, 2017, HCS 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 (HSC) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 2.236 million (June 30, 2023: Rs 2.236 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 0.0035 (June 30, 2023: Re 0.0043) per unit.

			(Un-audited) December 31, 2023	(Audited) June 30, 2023
7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	----- (Rupees in 000) -----	
	Trustee fee payable	7.1	372	254
	Sindh sales tax payable on Trustee fee	7.2	48	33
			<u>420</u>	<u>287</u>

7.1 The Trustee is entitled to monthly remuneration of 0.055% (June 30, 2023: 0.055%) per annum of net assets for services rendered to the Fund under the provisions of the Trust Deed.

7.2 During the year, an amount of Rs. 0.29 million (December 31, 2022: Rs. 0.005 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% (June 30, 2023: 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>507</u>	<u>305</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 "Income 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 the SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay the SECP fee within three months of the close of accounting year.

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in 000) -----	
9 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	441	548
Bank charges payable	53	74
Printing charges payable	4	5
Withholding tax payable	29,816	18,362
Capital gains tax payable	29,363	-
Legal and professional charges payable	96	182
Brokerage payable	416	-
	<u>60,189</u>	<u>19,171</u>

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments 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 end.

12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 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.

13 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.

14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.47% (December 31, 2022: 1.98%) which includes 0.13% (December 31, 2022: 0.06%) representing Government Levies on the Fund such as sales taxes and the annual fee to the SECP. The prescribed limit for the ratio is 2.5% (December 31, 2022: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which

the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

- 15.2** Transactions with connected persons / related parties are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 15.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 15.5** Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company subject to the maximum prescribed Total Expense Ratio.

15.6 Details of the transactions with related parties / connected persons during the period are as follows:

----- (Un-audited) -----	
Half year ended	
December 31,	
2023	2022
----- (Rupees in 000) -----	

NBP Fund Management Limited - the Management Company

Remuneration of the Management Company	13,241	151
Sindh sales tax on remuneration of the Management Company	1,721	20
Reimbursement of allocated expenses	6,094	85
Reimbursement of selling and marketing expenses	31,280	477
Sales load and Sindh sales tax on sales load	2,116	2
ADC charges paid including Sindh sales tax during the period	164	-

Central Depository Company of Pakistan Limited - the Trustee

Remuneration of the Trustee	2,234	38
Sindh sales tax on remuneration of the Trustee	290	5

National Bank of Pakistan - Parent of the Management Company

Profit on bank balance	2	2
------------------------	---	---

BankIslami Pakistan Limited - common directorship *

Profit on bank balance	-	7
------------------------	---	---

Employees of the Management Company

Units issued: 14,887,439 units (December 31, 2022: 87,172 units)	163,142	962
Dividend Re invested: 16,157 units (December 31, 2022: Nil units)	169	-
Units redeemed: 14,136,033 units (December 31, 2022: 86,365 units)	158,655	953

National Fullerton Asset Management Limited- Employees Provident Fund

Dividend re invested: 198,528 units (December 31, 2022: Nil units)	2,075	-
--	-------	---

Portfolio managed by the Management Company

Units issued: 68,501,649 units (December 31, 2022: Nil units)	718,666	-
Dividend reinvested: 3,975,460 (December 31, 2022: Nil units)	41,545	-
Units redeemed: 97,042,811 units (December 31, 2022: Nil units)	1,076,183	-

Abbott Laboratories Pakistan Limited Staff Pension Fund - unit holder with 10% or more holding

Units redeemed: 93,365,586 units (December 31, 2022: Nil units)	996,607	-
---	---------	---

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in 000) -----	
15.7 Amounts outstanding as at period / year end are as follows:		
NBP Fund Management Limited - the Management Company		
Management fee payable	1,991	1,445
Sindh sales tax payable on remuneration of the Management Company	259	188
Reimbursement of allocated expenses payable	3,292	1,819
Reimbursement of selling and marketing expenses payable	16,900	9,339
Federal excise duty on remuneration of the Management Company	1,865	1,865
Federal excise duty on sales load	371	371
Sales and transfer load payable	5,339	3,467
Sindh sales tax on sales load payable	714	472
ADC charges payable including Sindh sales tax	176	33
Other payable to the Management Company	45	45
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	372	254
Sindh sales tax payable on Trustee fee	48	33
Security deposit	102	102
National Bank of Pakistan - Parent of the Management Company		
Bank balances	390	169
Telenor Microfinance Bank Limited - common directorship		
Bank balances	90	88
Employees of the Management Company		
Units held: 805,223 units (June 2023: 33,395 units)	8,434	351
National Fullerton Asset Management Limited- Employees Provident Fund		
Units held: 2,019,521 units (June 2023: 1,820,993 units)	21,151	19,037
Portfolio managed by the Management Company		
Units held: 79,275,918 units (June 2023: 100,764,346 units)	830,297	1,053,432
Abbot Laboratories Pakistan Limited Staff Pension Fund - unit holder with 10% or more holding*		
Units held: Nil units (June 2023: 93,365,568)	-	976,081

* Current period balance has not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2023.

16 FAIR VALUE MEASUREMENT

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing 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.

16.1 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				
Government Securities - MTBs	-	563,445	-	563,445
Government Securities - PIBs	-	4,576,552	-	4,576,552
Government securities - GOP Ijara Sukuks	-	275,438	-	275,438
	-	5,415,435	-	5,415,435
----- Audited -----				
----- As at June 30, 2023 -----				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000 -----				
At fair value through profit or loss				
Government Securities - MTBs	-	-	-	-
Government Securities - PIBs	-	3,456,633	-	3,456,633
	-	3,456,633	-	3,456,633

17 GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

18 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

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds