



Managing Your Savings

NBP Fund Management Limited



NBP INCOME OPPORTUNITY FUND

QUARTERLY REPORT
SEPTEMBER 30, 2022

AM1
Rated by PACRA

MISSION STATEMENT

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

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Human Resource Committee

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

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Ruhail Muhammad	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

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
MCB Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited
Al Baraka Bank Pakistan Limited

Faysal Bank Limited
Silk Bank Limited
Soneri Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
Dubai Islamic Bank Limited
Khushhali Bank Limited
Bankislami Pakistan Limited
NRSP Microfinance Bank Limited
HBL Microfinance Bank Limited
Mobilink Microfinance Bank Limited
The Bank of Khyber

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.nbpfunfs.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

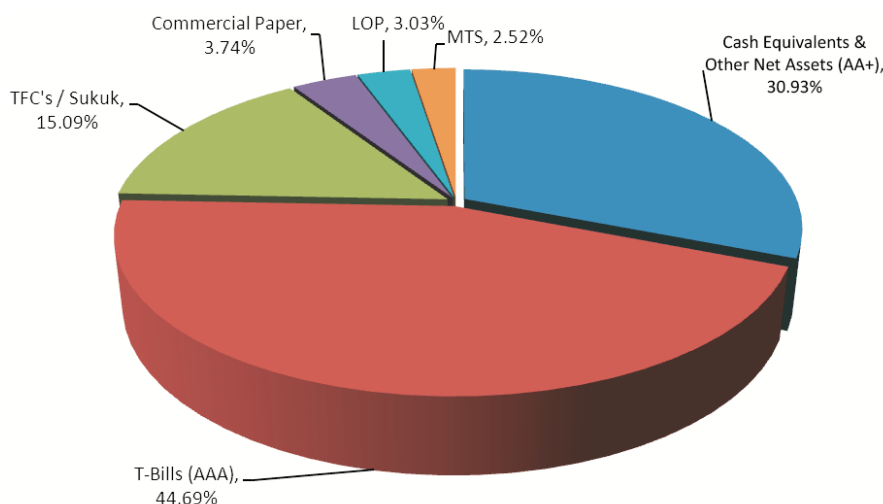
The Board of Directors of **NBP Fund Management Limited** is pleased to present the unaudited condensed Interim financial statements of **NBP Income Opportunity Fund (NIOF)** for the quarter ended September 30, 2022.

Fund's Performance

During the quarter, SBP held two Monetary Policy Committee meetings and increased the policy rate by 125 basis points to 15%. The sovereign yields responded as PIB yields increased by 38 bps and 19 bps for 3 years and 5 years, respectively. SBP held three PIB auctions, realizing a total of Rs. 687 billion against the maturity of Rs. 1,132 billion and target of Rs. 500 billion. Besides, the corporate bond activity remained lackluster, with a drop in the trades by 6% in the overall value as compared to last year in September 2021. Though there was a fresh issuance of corporate debt securities, the secondary market trading activity was recorded at Rs. 1.98 billion trade value versus Rs. 2.11 billion. Inflation as measured by the CPI, escalated sharply and averaged 25.1% during the period as compared to 8.6% in 1QFY22. Amid spike in the perishable item prices, the utilities also increased significantly. Owing to the global and domestic uncertainties, and due to pressure on the exchange rate, the inflation outlook remains elevated for FY23. The exacerbating political noise as well as the global unrest due to the Russia-Ukraine conflict intensifying; significant uncertainties prevail around the outlook for international commodity prices and domestic fiscal consolidation. Also, following the increase in US Federal Reserves System rates, the central banks across the world are pushed to confront with challenging outlook.

NIOF is categorized as an Income Scheme and has been awarded stability rating of 'A (f)' by PACRA. The size of NBP Income Opportunity Fund has decreased from Rs. 7,375 million to Rs. 6,596 million during the period (i.e., a decline of 11%). During the period, the unit price of the Fund has increased from Rs. 10.7953 on June 30, 2022 to Rs. 11.1458 on September 30, 2022, thus showing a return of 12.9% p.a. as compared to the benchmark return of 15.9% 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. 266.76 million during the year. After accounting for total expenses of Rs. 43.65 million, the net income is Rs. 223.11 million. The asset allocation of NBP Income Opportunity Fund as on September 30, 2022 is as follows:



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: October 29, 2022
Place: Karachi.

ڈائریکٹرز رپورٹ

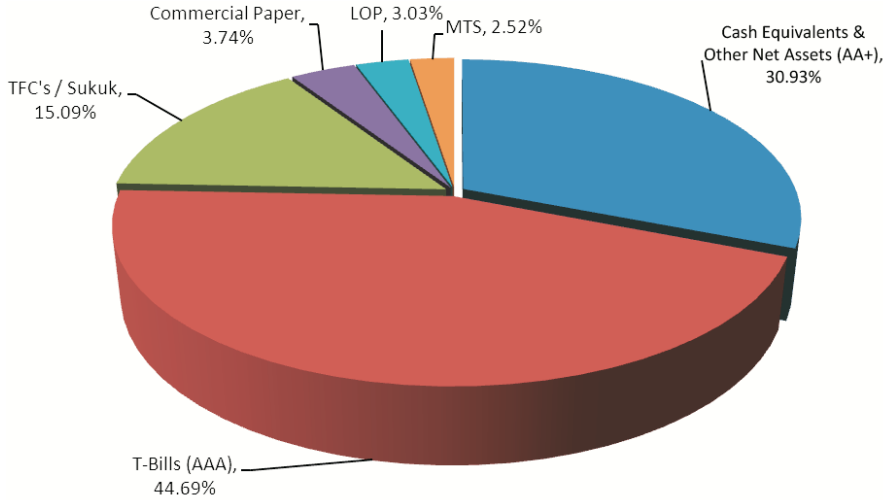
NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2022ء کو ختم ہونے والی پہلی سہ ماہی کے لئے NBP انکم اپرچونٹی فنڈ (NIOF) کے غیر نظر ثانی شدہ کنڈینسڈ عبوری مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

سہ ماہی کے دوران، SBP نے دو ماہی پالیسی کمیٹی کے اجلاس منعقد کیے اور پالیسی کی شرح کو 125 بیسس پوائنٹس بڑھا کر 15% کر دیا۔ حکومتی شرح منافع فائدہ مند رہا کیونکہ PIB کے منافع میں بالترتیب 3 سال اور 5 سال کے لیے 38bps اور 19bps کا اضافہ ہوا۔ SBP نے PIB کی تین نیلامیوں کا انعقاد کیا، جس سے 1,132 بلین روپے مہجور ٹی اور 500 بلین روپے ہدف کے مقابلے میں کل 687 بلین روپے کی وصولی ہوئی۔ اس کے علاوہ، کارپوریٹ بانڈ کی سرگرمی سست رہی، جس کی تجارت کی مجموعی قدر میں ستمبر 2021 کے مقابلے میں 6% کمی واقع ہوئی۔ اگرچہ کارپوریٹ ڈیٹ سیکورٹیز کا نیا اجراء ہوا تاہم ثانوی مارکیٹ میں تجارتی سرگرمی 2.11 بلین روپے کے برعکس 1.98 بلین روپے درج کی گئی۔ اسی عرصے کے دوران CPI کی پیمائش کردہ افراط زر تیزی سے بڑھی اور اوسطاً 25.1% رہی جو کہ مالی سال 2022 کی پہلی سہ ماہی میں 8.6% تھی۔ خراب ہونے والی اشیاء کی قیمتوں اور یوٹیلٹیز میں بھی نمایاں اضافہ ہوا۔ عالمی اور ملکی غیر یقینی صورتحال اور شرح مبادلہ پر دباؤ کی وجہ سے، مالی سال 2023 کے لیے افراط زر کا نقطہ نظر بلند ہے۔ روس اور یوکرین کے تنازع کی شدت سے بڑھتا ہوا سیاسی شورا اور عالمی بد امنی؛ بین الاقوامی اجناس کی قیمتوں اور ملکی مالی استحکام کے نقطہ نظر کو نمایاں غیر یقینی صورتحال کا سامنا ہے۔ نیز، FED کی شرح میں اضافے کے بعد، دنیا بھر کے مرکزی بینکوں کو چیلنجنگ نقطہ نظر کا سامنا کرنے پر مجبور کر دیا گیا ہے۔

NIOF کی انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔ موجودہ مدت کے دوران NBP انکم اپرچونٹی فنڈ (NIOF) کا ساٹھ 7,375 بلین روپے سے کم ہو کر 6,596 بلین روپے ہو گیا ہے یعنی 11% کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یوٹ کی قیمت 30 جون 2022 کو 10.7953 روپے سے بڑھ کر 30 ستمبر 2022 کو 11.1458 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک 15.9% کے مقابلے میں 12.9% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 266.76 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 43.65 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 223.11 بلین روپے ہے۔ 30 ستمبر 2022 کو NBP انکم اپرچونٹی فنڈ کی ایسٹ ایلوکییشن درج ذیل کے مطابق 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 پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ اینڈریجمنٹ 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 فنانس مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 اکتوبر 2022

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022

	Note	(Unaudited) 30 September 2022 (Rupees in '000)	(Audited) 30 June 2022
Assets			
Bank Balances	4	2,090,404	6,289,721
Investments	5	4,389,611	1,655,898
Receivable against margin trading system		166,541	-
Profit Receivable		48,746	95,615
Receivable against transfer of units		-	1,298
Deposit, prepayments and other receivables		12,626	12,754
Total assets		6,707,928	8,055,286
Liabilities			
Payable to NBP Fund Management Limited - the Management Company		63,223	65,806
Payable to Central Depository Company of Pakistan Limited - Trustee		473	556
Payable to Securities and Exchange Commission of Pakistan - annual fee		352	1,980
Payable against redemption		44,873	537,441
Accrued expenses and other liabilities		3,322	74,960
Total liabilities		112,243	680,743
Net assets		6,595,685	7,374,543
Unit holders' fund (As per statement attached)		6,595,685	7,374,543
Contingencies and commitments	6	-	-
(Number of units)			
Number of units in issue		591,763,020	683,124,305
(Rupees)			
Net assets value per unit		11.1458	10.7953

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2022

	Quarter Ended September 30 2022	Quarter Ended September 30 2021
Note	----- (Rupees in '000) -----	
Income		
Return / profit on:		
- bank balances and term deposits	148,144	121,937
- term finance certificates and sukuks	41,326	43,521
- government securities	51,998	16,322
- letter of placement	17,557	-
- commercial paper	11,186	2,984
- margin trading system	292	3,692
Net income on spread transactions	-	23,314
Dividend income on spread transactions	-	4,300
Net gain / (loss) on sale of investments	20	(433)
Net unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss - held for trading	(3,761)	9,198
Total income	266,762	224,835
Expenses		
Remuneration of Management Company	14,383	14,386
Sales tax on remuneration of Management Company	1,870	1,870
Reimbursement of allocated expense	2,200	3,180
Reimbursement of selling and marketing expenses	12,319	17,805
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,320	1,908
Sindh Sales tax on remuneration of trustee	172	248
Annual fee - Securities and Exchange Commission of Pakistan	352	509
Settlement and bank charges	357	519
Security and transaction cost	14	3,154
Rating Fee	148	78
Listing Fee	7	8
Auditors' remuneration	209	201
Legal and professional charges	37	166
Printing charges	46	5
(Reversal) / provision against non-performing investment	10,214	(1,639)
Total expenses	43,648	42,398
Reversal against Sindh workers' welfare fund	-	52,133
Net income for the period before taxation	223,114	234,570
Taxation	-	-
Net income for the period after taxation	223,114	234,570
Allocation of Net income for the period:		
Net income for the year after taxation	223,114	234,570
Income already paid on units redeemed	(21,820)	(16,624)
	201,294	217,946
-Relating to capital gains	-	8,765
-Excluding capital gains	201,294	209,181
	201,294	217,946

The annexed notes 1 to 13 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30	Quarter ended September 30
	2022	2021
	----- (Rupees in '000) -----	
Net income for the period after taxation	223,114	234,570
Other comprehensive income	-	-
Total comprehensive income for the period	223,114	234,570

The annexed notes 1 to 13 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 2022			Quarter ended September 2021		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the year	6,844,143	530,400	7,374,543	7,441,129	512,491	7,953,620
Issuance of 61,797,960 units (2021: 558,667,663 units)						
- Capital value	667,129	-	667,129	6,015,231	-	6,015,231
- Element of income	12,225	-	12,225	80,257	-	80,257
Total proceeds on issuance of units	679,354	-	679,354	6,095,488	-	6,095,488
Redemption of 153,159,245 units (2021: 225,034,585 units)						
- Capital value	(1,653,400)	-	(1,653,400)	(2,422,970)	-	(2,422,970)
- Element of loss	(6,106)	(21,820)	(27,926)	(23,403)	(16,624)	(40,027)
Total payments on redemption of units	(1,659,506)	(21,820)	(1,681,326)	(2,446,373)	(16,624)	(2,462,997)
Total comprehensive income for the period	-	223,114	223,114	-	234,570	234,570
Net assets at end of the period	5,863,991	731,694	6,595,685	11,090,244	730,437	11,820,681
Undistributed income brought forward						
- Realised		501,889			481,867	
- Unrealised gain		28,511			30,624	
		<u>530,400</u>			<u>512,491</u>	
Accounting income available for distribution						
- Relating to capital gain		-			8,765	
- Excluding capital gains		201,294			209,181	
		<u>201,294</u>			<u>217,946</u>	
Undistributed income carried forward		731,694			730,437	
Undistributed income carried forward						
- Realised		735,455			721,239	
- Unrealised (loss) / gain		(3,761)			9,198	
		<u>731,694</u>			<u>730,437</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			<u>10.7953</u>			<u>10.7671</u>
Net assets value per unit at end of the period			<u>11.1458</u>			<u>11.0233</u>

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30	Quarter ended September 30
	2022	2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	223,114	234,570
Adjustments for non-cash charges and other items:		
Net unrealised diminution / (appreciation) on re-measurement of investments	3,761	(9,198)
Reversal for Sindh workers' welfare fund	-	(52,133)
Net income on spread transactions	-	(23,314)
	226,875	149,925
(Increase) / decrease in assets		
Investments	(2,737,474)	(2,203,435)
Profit Receivable	46,869	(35,097)
Receivable against margin trading system	(166,541)	101,973
Deposit, prepayments and other receivables	128	1,261
	(2,857,018)	(2,135,298)
Increase / (Decrease) in liabilities		
Payable to NBP Fund Management Limited - the Management Company	(2,583)	6,088
Payable to the Central Depository Company of Pakistan Limited - Trustee	(83)	190
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(1,628)	(891)
Payable against purchase of investments	-	2,948,091
Accrued expenses and other liabilities	(71,638)	(50,258)
	(75,932)	2,903,220
Net cash (used in) / generated from operating activities	(2,706,075)	917,847
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	680,652	6,142,769
Payments on redemption of units	(2,173,894)	(2,473,420)
Net cash (used in) generated from financing activities	(1,493,242)	3,669,349
Net (decrease) / increase in cash and cash equivalents during the period	(4,199,317)	4,587,196
Cash and cash equivalents at beginning of the period	6,289,721	5,048,428
Cash and cash equivalents at end of the period	2,090,404	9,635,624

The annexed notes 1 to 13 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 STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Income Opportunity Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 30 January 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the 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).

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. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from February 11, 2006 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing in money market and debt securities having good credit rating and liquidity. Other avenues of investments include ready future arbitrage in listed securities and transactions under margin trading system.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 (2021: AM1 on June 23, 2021) on June 22, 2022. 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 upgraded the stability rating of the Fund at "A+(f)" dated April 19, 2022 (2021: "A(f)" on April 16, 2021).

The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the trustee of the Fund.

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 is required to be registered under the Sindh Trust Act. Accordingly, on November 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and 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.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2022.

These condensed interim financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 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, 2022.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of 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 the 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 to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022.

	Note	(Un-audited)	(Audited)
		September 30, 2022	June 30, 2022
4 BANK BALANCES		(Rupees in '000)	
Current accounts	4.1	70	70
Saving accounts	4.2	2,090,334	6,289,651
		2,090,404	6,289,721

- 4.1** These includes balances of Rs. 0.07 million (June 2022: 0.07 million) maintained with National Bank of Pakistan
- 4.2** These includes balances of Rs. 2.933 million (June 2022: 6.312 million) maintained with Bank Islami Pakistan Limited (related party), Rs. 1.844 million (June 2022: 2.190 million) maintained with National Bank of Pakistan (related party), Rs. 0.07 million (June 2022: 0.007 million) and Rs. 365.009 million (June 2022: 329.901 million) maintained with Khushhali Bank Limited. Other saving accounts carry mark-up rates ranging from 13% to 16% per annum (June 2022: 13% to 17.25% per annum)

5. INVESTMENTS

(Un-audited) (Audited)
September 30, June 30,
2022 2022
(Rupees in '000)

At fair value through profit or loss

Equity securities - listed	5.1	-	-
Government securities	5.2	2,947,732	-
Term finance certificates - listed	5.3	-	72,771
Term finance certificates - unlisted	5.4	285,131	284,805
Sukuks	5.5	710,038	712,797
Commercial paper	5.6	246,710	585,525
Letter of Placement	5.7	200,000	-
		4,389,611	1,655,898

5.1 Equity securities - listed at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at September 30, 2022	Investment as a percentage of		
	As at July 01, 2022	Purchased during the period	Bonus / Right shares	Sold during the period	As at September 30, 2022		Net assets	Market value of total investments	Paid-up capital of the investee company

All shares have a nominal face value of Rs 10 each.

PERSONAL GOODS

Azgard Nine Limited - Non-voting	308	-	-	-	308	-	-	-	-
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Carrying value / market value as at September 30, 2022

5.2 Government securities

5.2.1 Market treasury bills

Issue Date	Tenor	Face value				Market value as at September 30, 2022	Investment as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022		Net assets	Market value of total investments

March 10, 2022	6 Months	-	1,256,600	1,256,600	-	-	-	0.00
June 2, 2022	3 Months	-	1,000,000	1,000,000	-	-	-	0.00
June 16, 2022	3 Months	-	1,900,000	1,900,000	-	-	-	0.00
June 30, 2022	3 Months	-	3,156,000	3,156,000	-	-	-	0.00
July 14, 2022	3 Months	-	3,156,000	400,000	2,756,000	2,750,414	41.70	62.66
August 11, 2022	3 Months	-	200,000	-	200,000	197,319	2.99	4.50

Market value as at September 30, 2022

2,947,732

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

2,947,590

5.2.1.1 The effective yield on market treasury bills is 15.08% per annum (June 30, 2022: Nil).

5.2.1.2 Investments include treasury bills with market value of Rs. 200 million (June 30, 2022: Rs. Nil million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by SECP.

5.3 Term finance certificates - listed

Name of the investee company	Number of certificates				Market value as at September 30, 2022	Investment as a percentage of		
	As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022		Net assets	Market value of total investments	Issue size

All term finance certificates have a face value of Rs. 5,000 each unless stated otherwise.

Pace (Pakistan) Limited	5.3.1	30,000	-	-	30,000	-	-	-	10.00
Saudi Pak Leasing Company Limited	5.3.2	15,000	-	-	15,000	-	-	-	10.00
Worldcall Telecom Limited	5.3.3	45,000	-	-	45,000	-	-	-	0.06

Market value as at September 30, 2022

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

260,298

5.3.1 The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly has been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 260.298 million against investee companies have been maintained by valuing the investments as per circular no. 1 of 2009 and circular no. 33 of 2012.

5.3.2 This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said term finance certificates complied with repayment terms since it was rescheduled and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as non performing asset by MUFAP since April 30, 2014. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

5.3.3 This represents investment in listed term finance certificates with a term of 5 years. On April 07, 2012, the investee company defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since November 8, 2012. The amount of provision required as per SECP circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

5.4 Term finance certificates - unlisted

Name of the investee company	Issue date	Number of certificates				Market value as at September 30, 2022	Investment as a percentage of		
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022		Net assets	Market value of total investments	Issue size

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise.

Jahangir Siddiqui and Company Limited	July 18, 2017	23,340	-	-	23,340	30,232	0.46	0.69	5.84
Silk Bank Limited	August 10, 2017	20,000	-	-	20,000	62,559	0.95	1.43	5.00
JS Bank Limited	December 29, 2017	500	-	-	500	50,124	0.76	1.14	0.33
Jahangir Siddiqui and Company Limited	March 06, 2018	30,000	-	-	30,000	51,837	0.79	1.18	3.49
Bank of Punjab	April 16, 2018	900	-	-	900	90,379	1.37	2.06	10.00
Azgard Nine Limited VII (PPTFC)	December 4, 2007	16,095	-	-	16,095	-	-	0.00	-
Azgard Nine Limited - Zero Coupon	March 31, 2012	39,093	-	-	39,093	-	-	0.00	-
Dewan Cement Limited (Note 5.5.1)	January 14, 2008	30,000	-	-	30,000	-	-	0.00	-
New Allied Electronics Industries (Private) Limited (Note 5.5.1)	May 15, 2007	15,000	-	-	15,000	-	-	0.00	-
Agritech Limited V (Note 5.5.1)	July 1, 2011	6,464	-	-	6,464	-	-	0.00	-
Agritech Limited I (Note 5.5.1)	November 29, 2007	30,000	-	-	30,000	-	-	0.00	-

Market value as at September 30, 2022

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

285,131
285,693

5.4.1 The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly has been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 677.189 million against investee companies have been maintained by valuing the investments as per circular no. 1 of 2009 and circular no. 33 of 2012.

5.5 Sukuks

Name of the investee company	Issue date	Number of certificates				Market value as at September 30, 2022	Investment as a percentage of			
		As at July 01, 2022	Purchased during the period	Sold / Matured during the period	As at September 30, 2022		Net assets	Market value of total investments	Issue size	
							Rs. in '000	----- % -----		
The Hub Power Company Ltd.	August 22, 2019	1,000	-	-	1,000	51,250	0.78	1.17	1.43	
Javedan Corporation Limited	October 04, 2018	400	-	-	400	29,784	0.45	0.68	1.34	
K Electric	December 27, 2019	71,000	-	-	71,000	362,100	5.49	8.25	9.60	
Shakarganj Foods	July 10, 2018	70	-	-	70	43,767	0.66	1.00	0.97	
Hub Power Holding Limited	November 12, 2020	2,000	-	-	2,000	198,137	3.00	4.51	3.33	
New Allied Electronics Industries (Private) Limited (Note 5.6.1)	December 03, 2007	9,000	-	-	9,000	-	-	-	-	
Eden Housing Limited (Note 5.6.1)	March 29, 2008	9,200	-	-	9,200	-	-	-	-	
Al Baraka Bank (Pakistan) Ltd.	December 22, 2021	25	-	-	25	25,000	0.38	0.57	-	
Market value as at September 30, 2022						710,038				
Carrying value before mark to market as at September 30, 2022						713,379				

All term finance certificates have a face value of Rs. 100,000 each unless stated otherwise.

5.5.1 The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly has been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 53.205 million against investee companies have been maintained by valuing the investments as per circular no. 1 of 2009 and circular no. 33 of 2012.

5.6 Commercial papers

Name of the investee company	Issue date	Number of certificates				Market value as at September 30, 2022	Investment as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold / Matured during the period	As at September 30, 2022		Net assets	Market value of total investments
							----- Rupees in '000 ----- % -----	
Waves Singer Pakistan Limited	2-Nov-21	100,000	-	100,000	-	-	-	-
Lucky Electric Power Company Limited	12-Jan-22	250,000	-	250,000	-	-	-	-
Lucky Electric Power Company Limited (5.6.1)	6-May-22	250,000	-	-	250,000	246,710	3.74	5.62
						246,710	3.74	5.62

5.6.1 These carries profit at the rate of 14.56% per annum and will mature on 02 November 2022

5.7 Letter of Placement

Name of the investee company	Issue date	Maturity date	Rate %	Amount Placed		As at September 30, 2022	Investment as a percentage of	
				Purchased during the period	Sold / Matured during the period		Net assets	Market value of total investments
							----- Rupees in '000 ----- % -----	
Askari Bank Limited	19-Jul-22	22-Jul-22	14.10	700,000	700,000	-	-	-
PAIR Investment Company Limited	21-Jul-22	5-Aug-22	15.05	700,000	700,000	-	-	-
Askari Bank Limited	22-Jul-22	29-Jul-22	14.25	700,000	700,000	-	-	-
Pak-Oman Inv. Co. Ltd.	5-Aug-22	25-Aug-22	14.75	650,000	650,000	-	-	-
Pak-Oman Inv. Co. Ltd.	25-Aug-22	2-Sep-22	15.10	500,000	500,000	-	-	-
Pak-Libya Holding Co. (Pvt.) Ltd.	5-Sep-22	6-Sep-22	15.10	500,000	500,000	-	-	-
Pak-Libya Holding Co. (Pvt.) Ltd.	6-Sep-22	12-Sep-22	15.15	500,207	500,207	-	-	-
Pak-Oman Inv. Co. Ltd.	12-Sep-22	16-Sep-22	15.10	500,000	500,000	-	-	-
Pak-Libya Holding Co. (Pvt.) Ltd.	16-Sep-22	16-Dec-22	16.00	200,000	-	200,000	3.03	4.56
						200,000	3.03	4.56

6 CONTINGENCIES AND COMMITMENTS

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

7 REIMBURSEMENT OF SELLING AND MARKETING

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.70% per annum of the net assets of the Fund.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains 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, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 2.48% (September 30, 2021: 1.66%) which includes 0.13% (September 30, 2021: 0.10%) representing Government Levies and SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

10 DETAILS OF NON-COMPLIANT INVESTMENTS

The SECP vide circular no. 7 of 2009 dated March 6, 2009, required all asset management companies to categorize funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non-compliant investments :

Type of Investment	Name of non-compliant investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets	
		-----Rupees in ('000)-----			-----%-----		
Investment in Debt securities & Sukuks**	Agritech Limited	149,860	(149,860)	-	-	-	
	Agritech Limited V	32,320	(32,320)	-	-	-	
	Azgard Nine Limited VII	80,475	(80,475)	-	-	-	
	Azgard Nine Limited VIII	195,465	(195,465)	-	-	-	
	Dewan Cement Limited	150,000	(150,000)	-	-	-	
	Eden Housing Limited - Sukuk II	9,056	(9,056)	-	-	-	
	New Allied Electronics Industries (Private) Limited - PPTFC	31,707	(31,707)	-	-	-	
	New Allied Electronics Industries (Private) Limited - Sukuk II	44,149	(44,149)	-	-	-	
	PACE Pakistan Limited	149,820	(149,820)	-	-	-	
	Silk Bank Limited	99,920	(37,362)	62,558	0.95	0.93	
	Saudi Pak Leasing Company Limited	41,321	(41,321)	-	-	-	
	World Call Telecom Limited	69,157	(69,157)	-	-	-	
	Investment in Equity scheme	Azgard Nine Limited (Non-Voting)	13	(13)	-	-	-
	Total carrying value and accumulated impairment		1,053,263	(990,705)	62,558	0.95	0.93

10.1 At the time of purchase, these term finance certificates and sukuks were in compliance with the aforementioned circular. However, they either subsequently defaulted or were downgraded to non investment grade.

11 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

11.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

11.2 The transactions with connected persons are carried out at agreed terms.

11.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

11.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

	(Un-audited)	
	Quarter Ended September 30,2022	Quarter Ended September 30,2021
11.5 Details of the transactions with connected persons are as follows:	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	14,383	14,386
Sindh sales tax on remuneration of the Management Company	1,870	1,870
Sales load and transfer load during the period	1,433	73
Sindh Sales tax on sales load and transfer load during the period	187	9
Reimbursement of allocated expenses payable	2,200	3,180
Reimbursement of selling and marketing expenses payable	12,319	17,805
ADC Charges payable for the period with sindh sales tax	234	-
Units Redeemed / Transferred Out 32,261 units (2021: 1,852,040 units)	352	20,000
Central Depository Company of Pakistan Ltd. - Trustee		
Remuneration of the Trustee	1,320	1,908
Sindh Sales Tax on remuneration of the Trustee	172	248
CDS charges	92	92
Employees of Management Company		
Units Issued / transferred in 1,071,393 units (2021: 3,239,274 units)	11,776	35,183
Units redeemed / transferred out 1,214,884 units (2021: 886,710 units)	13,351	9,652
Portfolio managed by the Management Company		
Units issued / transferred in Nil units (2021: 156,408,599 units)	-	1,712,315
Units redeemed / transferred out Nil units (2021: 82,491,579 units)	-	888,634
Muhammad Murtaza Ali - COO / Chief Operating Officer		
Units Redeemed / Transferred Out (120) (2021: Nil units)	1	-
National Clearing Company of Pakistan Limited		
NCCPL Charges	85	147
Laga & Levy	15	312
Units Redeemed / Transferred Out 1,739,542 units (2021: Nil units)	19,326	
Bank Islami Limited (Common Directorship with the Management Company)		
Bank Profit	152	-
Khushhali Bank Limited (Common Directorship with the Management Company)		
Bank Profit	13,606	13,509
Taurus Securities Limited - Subsidiary of Parent Company		
Brokerage for the period	-	80
K-Electric		
Sukuk income for the period	15,278	-

	(Un-audited) As at September 30, 2022	(Audited) As at June 30, 2022
	(Rupees in '000)	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	4,624	5,726
Sindh Sales Tax on remuneration of the Management Company	601	744
Reimbursement of allocated expenses payable	2,200	2,644
Reimbursement of selling and marketing expenses payable	12,319	14,809
Sales load and transfer load	2,044	611
Sindh Sales tax on sales load and transfer load	327	141
Federal Excise duty and related sindh sales tax on management fee and sale load	40,695	40,695
ADC Charges payable including sales tax	413	436
Investment held in the Fund: Nil units (June 30, 2022: 32,261 units)	-	348
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the trustee	418	492
Sindh sales tax on remuneration of the trustee	55	64
CDS charges	232	51
Security deposit	100	100
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	646	2,190
Accrued markup	-	69
National Clearing Company of Pakistan Limited (Common Directorship with the Management Company)		
NCCPL charges	85	101
Security Deposit	2,750	2,750
Units held: Nil units (2022: 1,739,543 units)	-	18,779
Bank Islami Limited (Common Directorship with the Management Company)		
Bank balance	2,933	6,312
Accrued markup	481	525
Khushhali Bank Limited (Common Directorship with the Management Company)		
Bank balance	365,009	329,901
Accrued markup	4	7
Telenor Microfinance Bank Limited		
Bank balance	7	7
Accrued markup	2	14
Muhammad Murtaza Ali - COO / Chief Operating Officer		
Units held in the Fund: 94 units (2022: 215 units)	1	2
NBP Employees Pension Fund (Pension Fund of the parent of the Management Company)		
Investment held in the Fund: 126,565,293 units (June 30, 2022: 126,565,293 units)	1,410,671	1,366,310

	(Un-audited) As at September 30, 2022	(Audited) As at June 30, 2022
	(Rupees in '000)	
Employees of the Management Company		
Investment held in the Fund: 278,994 units (June 30, 2022: 422,485 units)	3,110	4,561
Portfolio managed by the Management Company		
Units held in the Fund: 28,671,116 units (2022: 18,042,444 units)	319,562	194,774
K-Electric		
Sukuk held by the fund	362,100	-
Profit Receivable	10,031	-

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 29, 2022.

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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