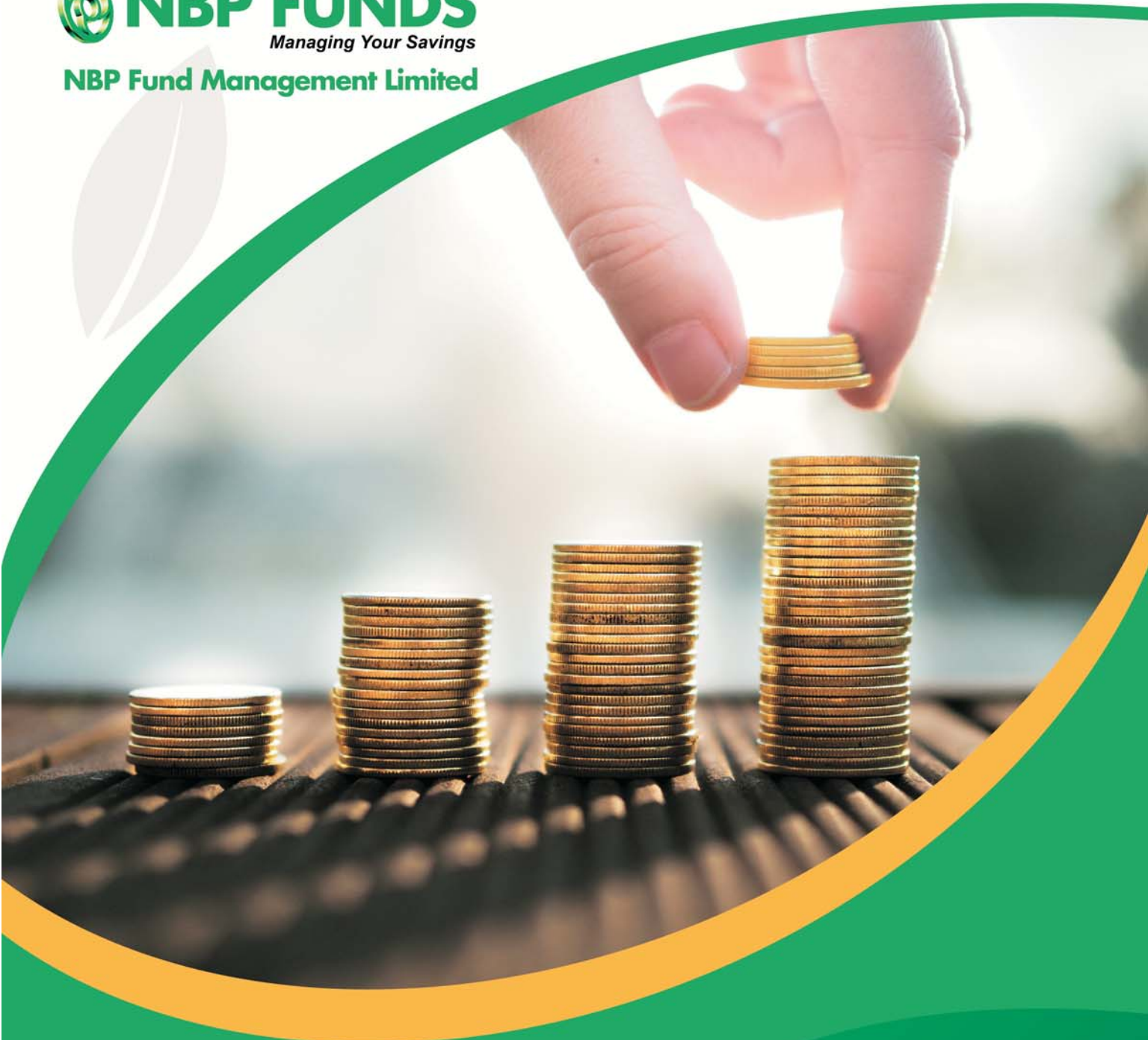




*Managing Your Savings*

**NBP Fund Management Limited**



# **NBP GOVERNMENT SECURITIES SAVINGS FUND**

**ANNUAL REPORT**  
**2024**

**AM1**  
Rated by PACRA

# MISSION STATEMENT

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

# Contents

<b>FUND'S INFORMATION</b>	<b>03</b>
<b>DIRECTORS' REPORT</b>	<b>07</b>
<b>TRUSTEE REPORT TO THE UNIT HOLDERS</b>	<b>13</b>
<b>FUND MANAGER REPORT</b>	<b>14</b>
<b>INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS</b>	<b>16</b>
<b>STATEMENT OF ASSETS AND LIABILITIES</b>	<b>19</b>
<b>INCOME STATEMENT</b>	<b>20</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>21</b>
<b>STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND</b>	<b>22</b>
<b>CASH FLOW STATEMENT</b>	<b>23</b>
<b>NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS</b>	<b>24</b>
<b>PERFORMANCE TABLE</b>	<b>45</b>

## 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. Faisal Ahmed*	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. Faisal Ahmed*	Member

### Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Faisal Ahmed*	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	Member

\* Pending SECP approval

### 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	Mobilink Microfinance Bank Limited
Bank Alfalah Limited	Telenor Microfinance Bank Limited
Bank Al Habib Limited	HBL Microfinance Bank Limited
Bank Islami Pakistan Limited	United Bank Limited
Habib Bank Limited	U Microfinance Bank Limited
Habib Metropolitan Bank Limited	Samba Bank Limited
JS Bank Limited	
Khushali Microfinance Bank Limited	
MCB Bank Limited	
National Bank of Pakistan	
Soneri 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.nbpfunds.com](http://www.nbpfunds.com)

## **Lahore Office:**

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

## **Islamabad Office:**

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

## Board of Directors



**Dr. Amjad Waheed, CFA**  
Chief Executive Officer



**Shaikh Muhammad Abdul Wahid Sethi**  
Chairman



**Mr. Khalid Mansoor**  
Director



**Mr. Saad Amanullah Khan**  
Director



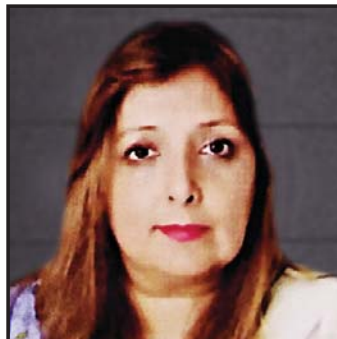
**Mr. Faisal Ahmed\***  
Director



**Mr. Ali Saigol**  
Director



**Mr. Ruhail Muhammad**  
Director



**Ms. Mehnaz Salar**  
Director



**Mr. Imran Zaffar**  
Director

\* Pending SECP approval

# Senior Management



**Dr. Amjad Waheed, CFA**  
Chief Executive Officer



**Mr. Muhammad Murtaza Ali**  
Chief Operating Officer &  
Company Secretary



**Mr. Asim Wahab Khan, CFA**  
Chief Investment Officer



**Mr. Ozair Khan**  
Chief Technology Officer



**Mr. Salim S Mehdi**  
Chief Business  
Development Officer



**Mr. Muhammad Imran, CFA, ACCA**  
Head of Portfolio Management



**Mr. Khalid Mehmood**  
Chief Financial Officer



**Mr. Salman Ahmed, CFA**  
Head of Fixed Income



**Mr. Shahzad Mithani**  
Head of Corporate &  
HNWIs Sales - South



**Mr. Muhammad Umer Khan**  
Head of Human Resources &  
Administration



**Syed Sharoz Mazhar, CFA**  
Head of Business &  
Sales Strategy



**Mr. Zaheer Iqbal, ACA FPFA**  
Head of Operations



**Mr. Waheed Abidi**  
Head of Internal Audit



**Mr. Hassan Raza, CFA**  
Head of Research



**Mr. Mustafa Farooq**  
Head of Compliance

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the 10th Annual Report of **NBP Government Securities Savings Fund (NGSSF)** for the year ended June 30, 2024.

### Fund's Performance

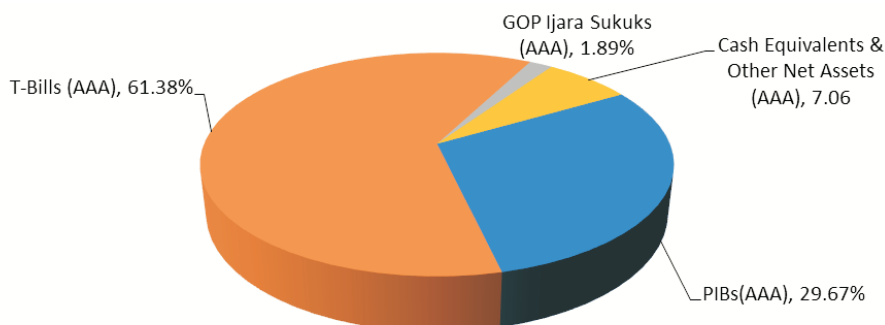
In FY24, the State Bank's Monetary Policy Committee (MPC) held eight meetings, reducing the policy rate by 150 basis points in the fourth quarter to 20.50%. This decision was supported by improving macroeconomic indicators, thanks to measures aimed at curbing inflation and improving its outlook. The MPC noted a significant drop in inflation, a reduced current account deficit, and stronger foreign exchange (FX) reserves. However, they cautioned that risks to price stability remain due to domestic and external shocks, the base effect, and global commodity price fluctuations. The inflation outlook is also threatened by recent budgetary measures and frequent hikes in utility tariffs, which could slow the decline in inflation expectations.

On a positive note, the narrower current account deficit, early reforms in exchange companies, and actions against illicit market activities have improved FX market sentiment and liquidity. Successful negotiations with the International Monetary Fund (IMF) regarding an Extended Fund Facility (EFF) program have also paved the way for additional multilateral and bilateral inflows, strengthening FX reserves and meeting near-term external financing needs as core inflation gradually cools. By June 2024, the State Bank of Pakistan's net liquid foreign exchange reserves stood at USD 9.4 billion.

In response to these policy measures, sovereign yields declined, with market participants showing greater interest in medium to long-term securities. The State Bank conducted twenty-six (26) T-Bill auctions, raising Rs. 21.7 trillion against a target of Rs. 21.1 trillion, with a maturity of Rs. 21.9 trillion. T-Bill yields decreased by 2.68%, 2.96%, and 4.25% for 3-month, 6-month, and 12-month tenures, respectively.

The size of NBP Government Securities Savings Fund decreased from Rs. 5,427 million to Rs. 5,312 million during the period (a decrease of 2%). During the period, the unit price of the Fund has increased from Rs. 8.5522 (Ex-Div) on June 30, 2023 to Rs. 10.4885 on June 30, 2024, thus showing a return of 22.57% as compared to the benchmark return of 21.67% 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. 1,498.67 million during the year. After deducting total expenses of Rs. 99.70 million, the net income is Rs. 1,398.66 million. The asset allocation of NGSSF as on June 30, 2024 is as follows:



### Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 22.08% of the opening ex-NAV (21.12% of the par value) during the year ended June 30, 2024.

## Taxation

As the above cash dividend is more than 90% of the income earned during the year, as reduced by accumulated losses and capital gains, whether realized or unrealized, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

## Auditors

The present auditors, Messrs A.F. Ferguson & Co., Chartered Accountants, has completed their five years tenure in the capacity of Auditor of the Fund. As per the requirement of Regulation 38(2)(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the replacement would be required. The Board has approved the appointment of Messrs Yousuf Adil Chartered Accountants, offer for appointment for the year ending June 30, 2025.

## Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the year. The attendance of all directors is disclosed in the note 25 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 22 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 17 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2024, the Board included

<b>Category</b>	<b>Names</b>
<b>Independent Directors</b>	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Ruhail Muhammad
<b>Executive Director</b>	Dr. Amjad Waheed - Chief Executive Officer
<b>Non-Executive Directors</b>	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Tauqeer Mazhar 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

**Acknowledgement**

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
**NBP Fund Management Limited**

**Chief Executive Officer**

Date: October 30, 2024

Place: Karachi.

**Director**

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) کی دسویں سالانہ رپورٹ برائے تختہ سال 30 جون 2024ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### فنڈ کی کارکردگی

مالی سال 24 میں اسٹیٹ بینک کی مانیٹری پالیسی کمیٹی (ایم پی سی) کے 18 اجلاس منعقد ہوئے، چوتھی سہ ماہی میں پالیسی شرح 150 پیسے پوائنٹس کم کر کے 20.50 فیصد کر دی گئی۔ یہ فیصلہ بہتر میکرو اکنامک اشاروں کے باعث کیا گیا، جس کا مقصد افراط زر پر قابو پانا اور اس کے نقطہ نظر کو بہتر بنانا تھا۔ ایم پی سی نے افراط زر میں نمایاں کمی، کرنٹ اکاؤنٹ خسارے میں کمی اور زرمبادلہ کے مضبوط ذخائر درج کئے۔ تاہم، انہوں نے متنبہ کیا کہ مقامی اور بیرونی شاکس، بنیادی اثرات، اور عالمی اجناس کی قیمتوں میں اتار چڑھاؤ کی وجہ سے قیمتوں میں عدم استحکام لاسکتے ہیں۔ حالیہ بجٹ اقدامات اور یوٹیلٹی ٹیرف میں مسلسل اضافے سے بھی افراط زر کا نقطہ نظر خطرے میں ہے، جس سے افراط زر کی متوقع کمی سست ہو سکتی ہے۔

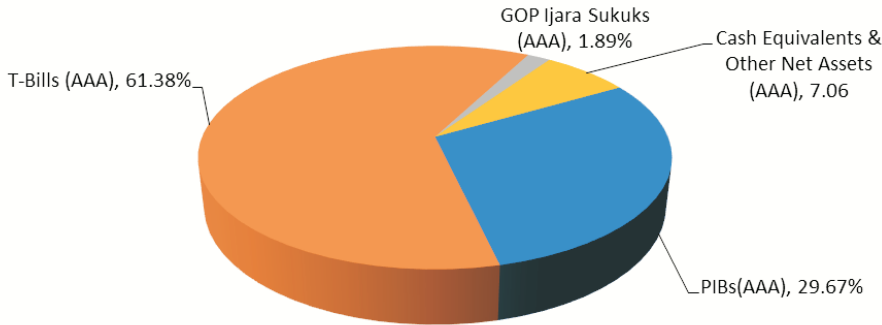
ثابت بات یہ ہے کہ کرنٹ اکاؤنٹ خسارے میں کمی، ایکسیچ کمپنوں میں ابتدائی اصلاحات اور مارکیٹ کی غیر قانونی سرگرمیوں کے خلاف اقدامات سے ایف ایکس مارکیٹ کے جذبات اور لیکویڈیٹی میں بہتری آئی ہے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ توسیعی فنڈ سہولت (ای ایف ایف) پروگرام کے حوالے سے کامیاب مذاکرات نے اضافی کثیرالجہتی اور دوطرفہ آمد، زرمبادلہ کے ذخائر کو مضبوط بنانے اور قریب مدتی بیرونی فنانسنگ کی ضروریات کو پورا کرنے کی راہ بھی ہموار کی ہے کیونکہ بنیادی افراط زر بتدریج کم ہو رہا ہے۔ جون 2024ء تک اسٹیٹ بینک آف پاکستان کے خالص لیکویڈیٹی زرمبادلہ کے ذخائر 9.4 ارب ڈالر تھے۔

ان پالیسی اقدامات کے جواب میں، سوریجن شرح منافع میں کمی واقع ہوئی، مارکیٹ کے شرکاء نے درمیانی سے طویل مدتی سیکورٹیز میں زیادہ دلچسپی ظاہر کی۔ اسٹیٹ بینک نے چھبیس (26) ٹی بل نیلامیاں منعقد کیں، جس میں 21.9 ٹریلین روپے کی میچورٹی کے ساتھ، 21.1 ٹریلین روپے کے ہدف کے مقابلے میں 21.7 ٹریلین روپے حاصل ہوئے۔ 3 ماہ، 6 ماہ اور 12 ماہ کی مدت کے لئے ٹی بل کے شرح منافع میں بالترتیب 2.68 فیصد، 2.96 فیصد اور 4.25 فیصد کمی واقع ہوئی۔

موجودہ مدت کے دوران، NBP گورنمنٹ سیکورٹیز سیونگ فنڈ کا سائز 5,427 ملین روپے سے کم ہو کر 5,312 ملین روپے ہو گیا یعنی 2% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2023 کو (Ex-Div) 8.552 روپے سے بڑھ کر 30 جون 2024 کو 10.4885 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اسپنچ مارک منافع 21.67% کے مقابلے میں 22.57% کا منافع درج کیا۔ فنڈ کی ریکارڈنگ مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کی طرف سے 'AA-(f)' کی اسٹیٹسٹی ریٹنگ تفویض کی گئی ہے۔

فنڈ نے سال کے دوران 1,498.67 ملین روپے کی مجموعی آمدنی کمائی۔ 99.70 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1,398.66 ملین روپے ہے۔

NGSSF کی ایسٹ ایلوکیشن برطانیہ 30 جون 2024ء حسب ذیل ہے۔



### آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2024ء سال کے اختتام پر اوپننگ ex-NAV کا 22.08% (بنیادی قیمت کا 21.12%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## ٹیکسیشن

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

## آڈیٹرز

موجودہ آڈیٹر، میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے فنڈ کے آڈیٹ کی کچھ سیٹی میں اپنی پانچ سالوں کی مدت پوری کر لی ہے۔ نان بینکنگ فنانس کمپنیز کے ریگولیشن (h)(2) اور نوٹیفائیڈ ریگولیشنز، 2008 کے تقاضہ کے مطابق ان کی تبدیلی ضروری ہوگی۔ بورڈ نے 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کے لئے خود کو پیش کرنے والے میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کی تقرری کی منظوری دی ہے۔

## لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 ("CCG") کی بیرونی میں ڈائریکٹرز اسٹیٹمنٹ

- 1 منجمنت کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، یکیش فلوا اور پونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- 2 فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 3 مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماراتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
- 5 انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 6 فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 7 کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو توڑی نہیں کی گئی۔
- 8 پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیوٹیز، مجسولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران منجمنت کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کی گئی ہے۔
- 11 پونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 22 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز ہی ای او، ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے پٹیس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 17 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انڈر سٹ نہیں رکھتی۔ 30 جون 2024 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں

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



## 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 انویسٹمنٹ 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: 30 اکتوبر 2024ء

مقام: کراچی

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP 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 year ended June 30, 2024 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.

For the attention of unit holders, during an onsite inspection of the Management Company, the Securities and Exchange Commission of Pakistan (SECP) identified certain matters related to the charging and allocation of selling and marketing expenses to the Fund. Accordingly, the Management Company, following the guidance and interpretation provided by the SECP, will compensate to the entitled unit holders.

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

Karachi, October 30, 2024

## FUND MANAGER REPORT

### NBP Government Securities Savings Fund

NBP Government Securities Savings Fund (NGSSF) is an Open-End Income Scheme.

#### Investment Objective of the Fund

The objective of NBP Government Securities Savings Fund is to provide competitive return from portfolio of low credit risk by investing primarily in Government Securities.

#### Benchmark

6-Month PKRV

#### Fund Performance Review

This is the 10th Annual report since the launch of the Fund on July 10, 2014. The Fund size stands at Rs. 5.3 billion as of June 30, 2024. Since its inception, the Fund posted a return of 11.4% p.a. versus the benchmark return of 10.7% p.a. This translates into outperformance of 0.7% p.a. During FY24, the Fund posted a 22.6% return versus the benchmark return of 21.7%. The return of the Fund is net of the management fee.

NBP Government Securities Savings Fund (NGSSF) stability rating is "AA- (f)" by PACRA and 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 the liquidity profile of the Fund.

In FY24, the State Bank's Monetary Policy Committee (MPC) held eight meetings, reducing the policy rate by 150 basis points in the fourth quarter to 20.50%. This decision was supported by improving macroeconomic indicators, thanks to measures aimed at curbing inflation and improving its outlook. The MPC noted a significant drop in inflation, a reduced current account deficit, and stronger foreign exchange (FX) reserves. However, they cautioned that risks to price stability remain due to domestic and external shocks, the base effect, and global commodity price fluctuations. The inflation outlook is also threatened by recent budgetary measures and frequent hikes in utility tariffs, which could slow the decline in inflation expectations.

On a positive note, the narrower current account deficit, early reforms in exchange companies, and actions against illicit market activities have improved FX market sentiment and liquidity. Successful negotiations with the International Monetary Fund (IMF) regarding an Extended Fund Facility (EFF) program have also paved the way for additional multilateral and bilateral inflows, strengthening FX reserves and meeting near-term external financing needs as core inflation gradually cools. By June 2024, the State Bank of Pakistan's net liquid foreign exchange reserves stood at USD 9.4 billion.

In response to these policy measures, sovereign yields declined, with market participants showing greater interest in medium to long-term securities. The State Bank conducted twenty-six (26) T-Bill auctions, raising Rs. 21.7 trillion against a target of Rs. 21.1 trillion, with a maturity of Rs. 21.9 trillion. T-Bill yields decreased by 2.68%, 2.96%, and 4.25% for 3-month, 6-month, and 12-month tenures, respectively.

#### Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-24	30-Jun-23
T-Bills	61.38%	-
PIBs	29.67%	63.70%
GOP Ijara Sukuk	1.89%	-
Money Market Placements	-	-
Cash, Bank Placements & Other Assets	7.06%	36.03%
<b>Total</b>	<b>100%</b>	<b>100%</b>

PIB yields during the year are shown in the below graph:



#### Distribution for the Financial Year 2024

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Dec 2023	11.39%	11.5238	10.4544
June 2024	10.69%	11.5937	10.4544

#### Unit Holding Pattern of NBP Government Securities Savings Fund as on June 30, 2024

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	80
1-1000	186
1001-5000	57
5001-10000	17
10001-50000	81
50001-100000	40
100001-500000	79
500001-1000000	22
1000001-5000000	44
5000001-10000000	12
10000001-100000000	12
<b>Total</b>	<b>630</b>

#### During the period under question

There has been no significant change in the state of affairs of the Fund. NBP Government Securities Savings Fund does not have any soft commission arrangement with any broker in the industry.

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Government Securities Savings Fund

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **NBP Government Securities Savings Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

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

### Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Net Asset Value</b> (Refer notes 4 and 5 to the financial statements)</p> <p>The bank balances and investments constitute the most significant component of the net asset value (NAV). The bank balances and investments of the Fund as at June 30, 2024 amounted to Rs. 634.352 million and Rs. 4,936.945 million respectively.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

## Other Information

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

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

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

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

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

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

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

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

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

**A.F. Ferguson & Co.**  
**Chartered Accountants**  
Karachi

**Dated:** October 30, 2024

**UDIN:** AR202410061LZaGeFows

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2024

	Note	2024 ------(Rupees in '000)-----	2023 ------(Rupees in '000)-----
<b>ASSETS</b>			
Bank balances	4	634,352	1,915,810
Investments	5	4,936,945	3,456,633
Profit receivable	6	68,556	105,262
Receivable against conversion of units		103,465	2,653
Deposits, prepayments and other receivables	7	860	836
<b>Total assets</b>		<b>5,744,178</b>	<b>5,481,194</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - the Management Company	8	29,887	19,044
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	280	287
Payable to the Securities and Exchange Commission of Pakistan	10	338	305
Payable against purchase of investments		-	141
Payable against redemption of units		354,607	15,657
Accrued expenses and other liabilities	11	46,616	19,171
<b>Total liabilities</b>		<b>431,728</b>	<b>54,605</b>
<b>NET ASSETS</b>		<b>5,312,450</b>	<b>5,426,589</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>5,312,450</b>	<b>5,426,589</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>	13	<b>506,504,606</b>	<b>519,071,888</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>	3.6	<b>10.4885</b>	<b>10.4544</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ------(Rupees in '000)-----	2023
<b>Income</b>			
Income on government securities		1,266,349	247,094
Profit on bank balances		250,340	78,137
(Loss) / gain on sale of investments - net		(26,854)	1,056
Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.4	8,519	(7,682)
<b>Total income</b>		<b>1,498,354</b>	<b>318,605</b>
<b>Expenses</b>			
Remuneration of NBP Fund Management Limited - the Management Company	8.1	21,936	4,616
Sindh sales tax on remuneration of the Management Company	8.2	2,852	600
Reimbursement of allocated expenses	8.3	10,206	2,240
Reimbursement of selling and marketing expenses	8.4	52,656	11,633
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	9.1	3,761	839
Sindh sales tax on remuneration of the Trustee	9.2	489	109
Fee to the Securities and Exchange Commission of Pakistan	10.1	5,129	305
Auditors' remuneration	14	588	655
Securities transaction cost		1,513	309
Settlement and bank charges		183	94
Annual listing fee		27	27
Legal and professional charges		147	146
Annual rating fee		191	180
Printing charges		18	40
<b>Total expenses</b>		<b>99,696</b>	<b>21,793</b>
<b>Net profit for the year before taxation</b>		<b>1,398,658</b>	<b>296,812</b>
Taxation	16	-	-
<b>Net profit for the year after taxation</b>		<b>1,398,658</b>	<b>296,812</b>
<b>Earnings per unit</b>	3.13		
<b>Allocation of net income for the year:</b>			
Net income for the year after taxation		1,398,658	296,812
Income already paid on units redeemed		(860,402)	(100,809)
		<u>538,256</u>	<u>196,003</u>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		-	-
- Excluding capital gains		538,256	196,003
		<u>538,256</u>	<u>196,003</u>

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	------(Rupees in '000)-----	
<b>Net profit for the year after taxation</b>	1,398,658	296,812
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>1,398,658</u>	<u>296,812</u>

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2024

	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- Rupees in '000 -----					
Net assets at the beginning of the year	5,363,692	62,897	5,426,589	95,984	42,340	138,324
Issuance of 1,788,334,752 units (2023: 976,998,217 units)						
- Capital value (at ex - net asset value per unit)	18,695,967	-	18,695,967	10,169,575	-	10,169,575
- Element of income	916,922	-	916,922	971,770	-	971,770
Total proceeds on issuance of units	19,612,889	-	19,612,889	11,141,345	-	11,141,345
Redemption of 1,800,902,034 units (2023: 471,215,203 units)						
- Capital value (at ex - net asset value per unit)	(18,827,350)	-	(18,827,350)	(4,904,879)	-	(4,904,879)
- Element of loss	(338,751)	(860,402)	(1,199,153)	(471,008)	(100,809)	(571,817)
Total payments on redemption of units	(19,166,101)	(860,402)	(20,026,503)	(5,375,887)	(100,809)	(5,476,696)
Total comprehensive income for the year	-	1,398,658	1,398,658	-	296,812	296,812
Interim distribution for the period ended December 31, 2023 @ Rs. 1.139 per unit declared on December 27, 2023	(336,324)	(263,106)	(599,430)	-	-	-
Interim distribution for the year ended June 30, 2024 @ Rs. 1.069 per unit declared on June 27, 2024 (2023: Rs. 1.731 per unit declared on June 23, 2023)	(241,664)	(258,089)	(499,753)	-	-	-
	(577,988)	(521,195)	(1,099,183)	(497,750)	(175,446)	(673,196)
<b>Net assets at end of the year</b>	<b>5,232,492</b>	<b>79,958</b>	<b>5,312,450</b>	<b>5,363,692</b>	<b>62,897</b>	<b>5,426,589</b>
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		538,256			196,003	
		538,256			196,003	
Distributions during the year		(521,195)			(175,446)	
<b>Undistributed income carried forward</b>		<b>79,958</b>			<b>62,897</b>	
<b>Undistributed income carried forward</b>						
- Realised income		71,439			70,579	
- Unrealised income / (loss)		8,519			(7,682)	
		79,958			62,897	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the year			10.4544			10.4090
Net assets value per unit at the end of the year			10.4885			10.4544

The annexed notes 1 to 28 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the year after taxation	1,398,658	296,812
<b>Adjustments:</b>		
Income on government securities	(1,266,349)	(247,094)
Profit on bank balances	(250,340)	(78,137)
Net unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.4 (8,519)	7,682
	(1,525,208)	(317,549)
<b>Increase in assets</b>		
Investments	(1,471,793)	(3,366,046)
Deposits, prepayments and other receivables	(24)	(2,615)
	(1,471,817)	(3,368,661)
<b>Increase / (decrease) in liabilities</b>		
Payable to NBP Fund Management Limited - the Management Company	10,843	13,172
Payable to the Central Depository Company of Pakistan Limited - the Trustee	(7)	280
Payable to the Securities and Exchange Commission of Pakistan	33	271
Payable against purchase of investments	(141)	141
Accrued expenses and other liabilities	27,445	16,980
	38,173	30,844
Profit received on bank balances and government securities	1,553,395	221,422
<b>Net cash used in operating activities</b>	<u>(6,799)</u>	<u>(3,137,132)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units - net of refund of element	18,934,089	10,643,595
Net payments against redemption of units	(19,687,553)	(5,461,039)
Dividend paid	(521,195)	(175,446)
<b>Net cash (used in) / generated from financing activities</b>	(1,274,659)	5,007,110
<b>Net (decrease) / increase in cash and cash equivalents</b>	(1,281,458)	1,869,978
Cash and cash equivalents at the beginning of the year	1,915,810	45,832
<b>Cash and cash equivalents at the end of the year</b>	4 <u><u>634,352</u></u>	<u><u>1,915,810</u></u>

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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 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). The Fund was registered under the Sindh Trust Act, 2020 on October 14, 2021.
- 1.2 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).
- 1.3 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 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 at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of the Fund is to provide unit holders with competitive return from a portfolio of low credit risk securities by investing primarily in government securities.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on June 21, 2024 (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, PACRA has maintained the stability rating of "AA-(f)" to the Fund dated March 28, 2024 (2023: "AA-(f)" dated March 28, 2023).
- 1.6 The title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 requirements of the Trust Deed.

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

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

During the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements and are, therefore, not disclosed in these financial statements.

## 2.3 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or will not have any material effect on the Fund's financial statements and have not been disclosed in the financial statements.

## 2.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5) and federal excise duty (note 8.5).

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values.

## 2.6 Functional and presentation currency

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

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

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

### 3.1 Cash and cash equivalents

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

### 3.2 Financial assets

#### 3.2.1 Initial recognition and measurement

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

#### 3.2.2 Classification and subsequent measurement

##### Debt instruments

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

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

based on the business model of the entity.

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

#### 3.2.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

##### Financial assets 'at fair value through profit or loss'

##### Basis of valuation of Government securities

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

#### 3.2.4 Impairment (other than debt securities)

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

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and

- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when these fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

### 3.2.5 Impairment loss on debt securities

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

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

### 3.2.6 Regular way contracts

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

### 3.2.7 Derecognition

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

### 3.3 Financial liabilities

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

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

### 3.4 Offsetting of financial assets and financial liabilities

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

### 3.5 Provisions

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

### 3.6 Net asset value per unit

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

## 3.7 Issue and redemption of units

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

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

## 3.8 Distributions to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP. Distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

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

## 3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in income statement and are recognised on the date when the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which these arise;
- Income from government securities is recognised on an accrual basis using effective interest method.
- Profit on balances with banks is recognised on an accrual basis.

## 3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and the Trustee and annual fee of the SECP are recognized in the Income Statement on an accrual basis.

## 3.12 Taxation

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

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

### 3.13 Earnings per unit

Earnings per unit (EPU) is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit 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.

### 3.14 Foreign currency translation

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

4	BANK BALANCES	Note	2024	2023
			----- Rupees in '000 -----	
	Balances with banks in savings accounts	4.1	634,352	1,915,810
			<u>634,352</u>	<u>1,915,810</u>

4.1 These include a balance of Rs 0.524 million (2023: Rs 0.169 million) maintained with National Bank of Pakistan (a related party) that carry profit at the rate of 20.50% (2023: 19.50%) per annum. Other savings accounts of the Fund carry profit rates ranging from 18.80% to 21.25% (2023: 12.25% to 22.45%) per annum.

### 5 INVESTMENTS

#### Financial assets 'at fair value through profit or loss'

Government securities - Market Treasury Bills (MTBs)	5.1	3,260,788	-
Government securities - Pakistan Investment Bonds (PIBs)	5.2	1,575,989	3,456,633
Government securities - GOP Ijara Sukuks certificates	5.3	100,168	-
		<u>4,936,945</u>	<u>3,456,633</u>

#### 5.1 Government securities - Market Treasury Bills (MTBs)

Issue date	Maturity Date	Tenor in months	Yield	Face value				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised (diminution) / appreciation	Market value as a percentage of	
				As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024				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	-	-	-	-	-	
January 11, 2024	April 4, 2024	3	20.97%	-	125,000	125,000	-	-	-	-	-	
April 4, 2024	June 27, 2024	3	21.60%	-	375,000	375,000	-	-	-	-	-	
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	-	-	-	-	-	
May 30, 2024	November 28, 2024	6	20.90%	-	200,000	200,000	-	-	-	-	-	
January 11, 2024	July 11, 2024	6	20.96%	-	125,000	-	125,000	124,350	124,300	(50)	2.00%	
April 20, 2023	April 18, 2024	12	21.60%	-	16,420	16,420	-	-	-	-	-	
May 4, 2023	May 2, 2024	12	21.60%	-	48,485	48,485	-	-	-	-	-	
----- (%) -----												

# NBP GOVERNMENT SECURITIES SAVINGS FUND

Issue date	Maturity Date	Tenor in months	Yield	Face value				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised (diminution) / appreciation	Market value as a percentage of	
				As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024				net assets of the Fund	total investments of the Fund
----- (Rupees in 000) -----											----- (%) -----	
November 2, 2023	October 31, 2024	12	21.91%	-	500,000	500,000	-	-	-	-	-	-
November 30, 2023	November 28, 2024	12	21.26%	-	515,900	515,900	-	-	-	-	-	-
October 19, 2023	October 17, 2024	12	22.07%	-	881,700	880,000	1,700	1,602	1,604	2	0.00%	0.03%
November 16, 2023	November 14, 2024	12	21.43%	-	1,356,000	1,300,000	56,000	51,984	52,089	105	1.00%	1.06%
January 11, 2024	January 9, 2025	12	20.79%	-	253,000	250,000	3,000	2,704	2,716	12	0.00%	0.06%
May 16, 2024	May 15, 2025	12	20.36%	-	1,010,000	250,000	760,000	648,908	651,234	2,326	12.00%	13.19%
December 14, 2023	December 12, 2024	12	21.50%	-	23,000	-	23,000	21,036	21,104	68	0.00%	0.43%
December 28, 2023	December 26, 2024	12	20.90%	-	79,200	-	79,200	72,327	72,187	(140)	1.00%	1.46%
February 22, 2024	February 20, 2025	12	20.80%	-	250	-	250	221	222	1	0.00%	0.00%
March 21, 2024	March 20, 2025	12	20.45%	-	175,000	-	175,000	153,050	153,319	269	3.00%	3.11%
April 4, 2024	April 3, 2025	12	20.84%	-	399,500	-	399,500	347,384	347,887	503	7.00%	7.05%
April 18, 2024	April 17, 2025	12	20.78%	-	880,000	-	880,000	759,310	762,107	2,797	14.00%	15.44%
May 2, 2024	May 2, 2025	12	20.84%	-	750,000	-	750,000	642,581	645,796	3,215	12.00%	13.08%
May 30, 2024	May 29, 2025	12	19.98%	-	500,000	-	500,000	424,235	426,223	1,988	8.00%	8.63%
<b>Total as at June 30, 2024</b>								<b>3,249,692</b>	<b>3,260,788</b>	<b>11,096</b>	<b>60.00%</b>	<b>66.05%</b>
<b>Total as at June 30, 2023</b>								-	-	-	-	-

## 5.2 Government securities - Pakistan Investment Bonds (PIBs)

Issue date	Maturity Date	Tenor in years	Yield	Face value				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution)	Market value as a percentage of	
				As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024				net assets of the Fund	total investments of the Fund
----- (Rupees in 000) -----											----- (%) -----	
<b>Fixed Rate</b>												
July 4, 2023	July 4, 2026	3	17.38%	-	1,500,000	1,500,000	-	-	-	-	-	-
<b>Floating Rate</b>												
October 22, 2020	October 22, 2023	3	22.79%	50,000	1,000,000	1,050,000	-	-	-	-	-	-
August 26, 2021	August 26, 2023	2	23.12%	980,000	-	980,000	-	-	-	-	-	-
September 8, 2022	September 8, 2024	2	23.04%	1,155,600	3,804,500	4,960,100	-	-	-	-	-	-
November 17, 2022	November 17, 2027	5	23.87%	10,000	350,000	350,000	10,000	9,604	9,716	112	0.18%	0.20%
February 9, 2023	February 9, 2025	2	23.03%	1,295,000	972,500	2,242,500	25,000	24,868	24,810	(58)	0.47%	0.50%
September 21, 2023	September 21, 2028	5	25.77%	-	925,000	925,000	-	-	-	-	-	-
December 30, 2021	December 30, 2023	2	22.55%	-	2,848,500	2,848,500	-	-	-	-	-	-
January 17, 2024	January 17, 2029	5	15.38%	-	275,000	275,000	-	-	-	-	-	-
September 21, 2023	September 21, 2026	3	24.29%	-	250,000	-	250,000	246,406	245,050	(1,356)	4.61%	0.00%
October 19, 2023	October 19, 2026	3	23.33%	-	300,000	-	300,000	295,338	294,240	(1,098)	5.54%	4.96%
April 6, 2023	April 6, 2025	2	23.81%	-	1,250,000	1,236,100	13,900	13,816	13,788	(28)	0.26%	5.96%
October 19, 2023	October 19, 2028	5	23.88%	-	1,200,000	1,130,000	70,000	68,219	67,725	(494)	1.27%	0.28%
October 7, 2021	October 7, 2024	3	22.55%	-	100,000	-	100,000	99,756	99,730	(26)	1.88%	1.37%
April 18, 2024	April 18, 2029	5	22.67%	-	850,000	-	850,000	820,727	820,930	203	15.45%	2.02%
<b>Total as at June 30, 2024</b>				<b>3,490,600</b>	<b>15,625,500</b>	<b>17,497,200</b>	<b>1,618,900</b>	<b>1,578,734</b>	<b>1,575,989</b>	<b>(2,745)</b>	<b>29.67%</b>	<b>31.92%</b>
<b>Total as at June 30, 2023</b>								<b>3,464,315</b>	<b>3,456,633</b>	<b>(7,682)</b>	<b>63.70%</b>	<b>100.00%</b>

## 5.3 Government securities - GOP Ijara Sukuks certificates

Name of Security	Profit payments / Principal redemptions	Maturity date	Profit rate	As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation	Market value as a percentage of	
				Number of certificates			(Rupees in 000)				net assets of the Fund	total investments of the Fund
GoP Ijarah sukuk GIS - VRR - XXXIX (Face value of Rs. 100,000 per certificate)	Semi-annually	October 9, 2024	Weighted average six months T-bills	-	5,000	5,000	-	-	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XLI (Face value of Rs. 100,000 per certificate)	Semi-annually	December 4, 2026	Weighted average six months T-bills	-	750	750	-	-	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XLII (Face value of Rs. 100,000 per certificate)	Semi-annually	December 4, 2028	Weighted average six months T-bills	-	1,000	1,000	-	-	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XL (Face value of Rs. 100,000 per certificate)	Semi-annually	December 4, 2024	Weighted average six months T-bills	-	5,000	-	5,000	25,000	25,085	85	0.47%	0.51%
GoP Ijarah sukuk GIS - FRR - XXXII (Face value of Rs. 100,000 per certificate)	Semi-annually	December 4, 2026	16.19%	-	15,000	-	15,000	75,000	75,083	83	1.41%	1.52%
<b>Total as at June 30, 2024</b>								<b>100,000</b>	<b>100,168</b>	<b>168</b>	<b>1.88%</b>	<b>2.03%</b>
<b>Total as at June 30, 2023</b>								<b>-</b>	<b>-</b>	<b>-</b>		

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

	Note	2024 ----- (Rupees in 000) -----	2023 ----- (Rupees in 000) -----
Market value of investments	5.1, 5.2 & 5.3	4,936,945	3,456,633
Less: carrying value of investments	5.1, 5.2 & 5.3	(4,928,426)	(3,464,315)
		<u>8,519</u>	<u>(7,682)</u>

## 6 PROFIT RECEIVABLE

Profit receivable on:

Bank balances		6,843	24,926
Government securities - Pakistan Investment Bonds		60,439	80,336
Government securities - GOP Ijara Sukuks certificates		1,274	-
		<u>68,556</u>	<u>105,262</u>

6.1 Profit receivable on bank balances include Rs. 0.001 million (2023: Rs Nil) due from National Bank of Pakistan (a related party).

## 7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2024 ----- (Rupees in 000) -----	2023 ----- (Rupees in 000) -----
Security deposit with the Central Depository Company of Pakistan Limited *		102	102
Prepaid annual rating fee		113	94
Other receivables		6	1
Advance tax	7.1	639	639
		<u>860</u>	<u>836</u>

\* related party balance

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on bank balances and debt securities paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on profit on bank balances and debt securities amounted to Rs. 0.639 million (2023: Rs. 0.639 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of SHC. Pending resolution of the matter, the amount of withholding tax so deducted has been shown as other receivables as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY	Note	2024	2023
			----- Rupees in '000 -----	
	Remuneration payable to the Management Company	8.1	1,526	1,445
	Sindh sales tax on remuneration payable to the Management Company	8.2	198	188
	Reimbursement of allocated expenses payable	8.3	4,112	1,819
	Reimbursement of selling and marketing expenses payable	8.4	21,376	9,339
	Sales and transfer load payable		100	3,467
	Sindh sales tax on sales and transfer load		33	472
	Federal excise duty on remuneration of the Management Company and sales load	8.5	2,236	2,236
	ADC charges payable including Sindh sales tax		261	33
	Other payable to the Management Company		45	45
			<u>29,887</u>	<u>19,044</u>

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.50% of net income subject to floor and capping of 0.20% and 1.00% per annum of the average net assets of the Fund (2023: 1.50% of net income subject to floor and capping of 0.20% and 1.00% per annum of the average net assets of the Fund). The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs 2.852 million (2023: Rs 0.600 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2023: 13%).

8.3 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

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

2024	2023	
Rate applicable for the year ended June 30, 2024	Rate applicable from July 1, 2022 till March 15, 2023	Rate applicable from March 16, 2023 till June 30, 2023
0.32% of average annual net assets	0.125% of average annual net assets	0.15% of average annual net assets

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

2024	2023	
Rate applicable for the year ended June 30, 2024	Rate applicable from July 1, 2022 till March 9, 2023	Rate applicable from March 10, 2023 till June 30, 2023
0.77% of average annual net assets	0.70% of average annual net assets	0.77% of average annual net assets

- 8.5** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and 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, SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan 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 2.24 million (2023: Rs 2.24 million) is being retained in these 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 June 30, 2024 would have been higher by Re 0.0044 per unit (2023: Re 0.0043 per unit).

- 8.6** During the year, the Securities and Exchange Commission of Pakistan (SECP) carried out onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling & marketing expenses and allocated expenses to the funds under its management. As a result of this inspection, SECP raised certain observations relating to the chargeability of such expenses by the Management Company to the funds under its management. The Board of Directors of the Management Company has responded to the observations highlighted by the SECP and the management is engaged with SECP in this regard. Accordingly, the impact of the SECP's observations, if any, is not determinable as at the reporting date.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	2024	2023
			Rupees in '000	
	Remuneration payable to Trustee	9.1	248	254
	Sindh sales tax payable on Trustee remuneration	9.2	32	33
			<u>280</u>	<u>287</u>

- 9.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.055% (2023: 0.055%) per annum of average annual net assets. Accordingly, the Fund has charged trustee fee at the above mentioned rate during the year.

- 9.2** During the year, an amount of Rs 0.489 million (2023: 0.109 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% (2023: 13%).

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024	2023
			Rupees in '000	
	Fee payable	10.1	<u>338</u>	<u>305</u>

- 10.1** Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% (2023: 0.02%) of the average annual net assets of the Fund.

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

	2024	2023
	----- Rupees in '000 -----	
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration	555	548
Withholding tax payable	45,399	18,362
Bank charges payable	145	74
Printing charges payable	12	5
Brokerage payable	336	-
Legal and professional charges payable	169	182
	<u>46,616</u>	<u>19,171</u>

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

	2024	2023
	----- Number -----	
<b>13 NUMBER OF UNITS IN ISSUE</b>		
Total units in issue at the beginning of the year	519,071,888	13,288,874
Add: units issued during the year	1,788,334,752	976,998,217
Less: units redeemed during the year	(1,800,902,034)	(471,215,203)
Total units in issue at the end of the year	<u>506,504,606</u>	<u>519,071,888</u>

## 14 AUDITORS' REMUNERATION

Annual audit fee	331	259
Half yearly review	134	105
Other certification	-	218
Out of pocket expenses	123	73
	<u>588</u>	<u>655</u>

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2024 is 1.46% (2023: 1.42%) which includes 0.13% (2023: 0.07%) representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. The TER excluding government levies is 1.33% (2023: 1.35%) which is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorized as an income scheme.

## 16 TAXATION

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

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.

## 17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1 Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates

of the Management Company, other collective investment schemes managed by the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

- 17.2** Transactions with related parties / connected persons 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 related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 17.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 17.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 17.5** Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company subject to the maximum prescribed Total Expense Ratio.

<b>17.6 Details of the transactions with related parties / connected persons during the year are as follows:</b>	<b>2024</b>	<b>2023</b>
	---- Rupees in '000 ----	
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration of the Management Company	21,936	4,616
Sindh Sales Tax on remuneration of the Management Company	2,852	600
Reimbursement of allocated expenses	10,206	2,240
Reimbursement of selling and marketing expenses	52,656	11,633
Sales load and transfer load	2,504	619
Sindh sales tax on sales and transfer load	326	80
ADC charges including Sindh sales tax	248	17
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration of the Trustee	3,761	839
Sindh sales tax on remuneration of the Trustee	489	109
<b>National Bank of Pakistan - Parent company</b>		
Profit on bank balances	2	4
<b>National Fullerton Asset Management Limited - Employees Provident Fund</b>		
Units issued: Nil units (2023: 3,382,299 units)	-	36,767
Dividend reinvestment units: 318,114 units (2023: Nil units)	3,327	-
Units redeemed: 848,678 units (2023: 1,561,306 units)	9,780	18,955
<b>Employees of the Management Company</b>		
Units issued: 16,429,895 units (2023: 6,132,721 units)	179,782	72,674
Dividend reinvestment units: 22,072 units (2023: 503 units)	231	5
Units redeemed: 16,003,569 units (2023: 6,112,332 units)	179,305	73,286
<b>Portfolio Managed by Management Company</b>		
Units issued: 76,478,000 units (2023: 133,678,541 units)	802,261	1,424,786
Dividend reinvestment units: 9,383,883 units (2023: 2,836,232 units)	98,173	29,539
Units redeemed: 223,302,097 units (2023: 35,750,427 units)	2,434,705	424,344
Purchase of Market Treasury Bills (MTBs)	20,330	-
Purchase of Pakistan Investment Bonds (PIBs)	75,245	-
<b>Fauji Fertilizer Company Limited - unit holder with 10% or more holding</b>		
Units issued: 54,512,330 units (2023: Nil units)	570,000	-
Dividend reinvestment units: 437,565 units (2023: Nil units)	4,581	-

17.7	Amounts outstanding as at year end are as follows:	2024	2023
		--- Rupees in '000 ---	
<b>NBP Fund Management Limited - the Management Company</b>			
	Remuneration of the Management Company	1,526	1,445
	Sindh sales tax payable on remuneration of the Management Company	198	188
	Reimbursement of allocated expense payable	4,112	1,819
	Reimbursement of selling and marketing expenses payable	21,376	9,339
	Sales and transfer load payable	100	3,467
	Sindh sales tax on sales load payable	33	472
	Federal Excise Duty on remuneration of the Management Company and sales load	2,236	2,236
	ADC charges payable including Sindh sales tax	261	33
	Other payable to the Management Company	45	45
<b>Central Depository Company of Pakistan Limited - the Trustee</b>			
	Trustee fee payable	248	254
	Sindh sales tax payable on Trustee fee	32	33
	Security deposit	102	102
<b>National Bank of Pakistan - Parent company</b>			
	Bank balance in savings accounts	524	169
	Profit receivable	1	-
<b>National Fullerton Asset Management Limited - Employees Provident Fund</b>			
	Units held: 1,290,429 units (2023: 1,820,993 units)	13,535	19,037
<b>Employees of the Management Company *</b>			
	Units held: 486,057 units (2023: 33,595 units units)	5,098	351
<b>Portfolio Managed by Management Company *</b>			
	Units held: 59,766,990 units (2023: 100,764,346 units)	626,866	1,053,432
<b>Fauji Fertilizers Company Limited - unit holder with 10% or more holding **</b>			
	Units held: 54,949,895 units (2023: Nil units)	576,342	-
*	This reflects the position of the related party / connected persons status as at June 30, 2024.		
**	Previous year figure has not been shown as the company was not a related party / connected person as at June 30, 2023.		

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

	2024		
	At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----			
<b>Financial assets</b>			
Bank balances	634,352	-	634,352
Investments	-	4,936,945	4,936,945
Profit receivable	68,556	-	68,556
Receivable against conversion of units	103,465	-	103,465
Deposits and other receivables	108	-	108
	<u>806,481</u>	<u>4,936,945</u>	<u>5,743,426</u>
<b>Financial liabilities</b>			
Payable to NBP Fund Management Limited - the Management Company	29,887	-	29,887
Payable to Central Depository Company of Pakistan Limited - the Trustee	280	-	280
Payable against redemption of units	354,607	-	354,607
Accrued expenses and other liabilities	1,217	-	1,217
	<u>385,991</u>	<u>-</u>	<u>385,991</u>

	2023		
	At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----			
<b>Financial assets</b>			
Bank balances	1,915,810	-	1,915,810
Investments	-	3,456,633	3,456,633
Profit receivable	105,262	-	105,262
Receivable against conversion of units	2,653	-	2,653
Deposits and other receivables	103	-	103
	<u>2,023,828</u>	<u>3,456,633</u>	<u>5,480,461</u>
<b>Financial liabilities</b>			
Payable to NBP Fund Management Limited - the Management Company	19,044	-	19,044
Payable to Central Depository Company of Pakistan Limited - the Trustee	287	-	287
Payable against purchase of investments	141	-	141
Payable against redemption of units	15,657	-	15,657
Accrued expenses and other liabilities	809	-	809
	<u>35,938</u>	<u>-</u>	<u>35,938</u>

## 19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

### 19.1 Market risk

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

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

Market risk comprises of three types of risks: yield / interest rate risk, currency risk and price risk.

#### (i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks and investments in government securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances and GOP Ijara sukuks certificates which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 6.59 million (2023: Rs 19.16 million).

## b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds Market Treasury Bills, Pakistan Investment Bonds and GOP Ijara sukuks certificates which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been lower / higher by Rs. 49.12 million (2023: Rs. 34.57 million).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

----- 2024 -----						
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- Rupees in '000 -----						
<b>Financial assets</b>						
Bank balances	18.80% - 21.25%	634,352	-	-	-	634,352
Investments	15.38% - 25.77%	124,300	3,299,901	1,437,661	75,083	4,936,945
Profit receivable		-	-	-	68,556	68,556
Receivable against conversion of units		-	-	-	103,465	103,465
Deposits and other receivables		-	-	-	108	108
		758,652	3,299,901	1,437,661	247,212	5,743,426
<b>Financial liabilities</b>						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	29,887	29,887
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	280	280
Payable against redemption of units		-	-	-	354,607	354,607
Accrued expenses and other liabilities		-	-	-	1,217	1,217
		-	-	-	385,991	385,991
<b>On-balance sheet gap (a)</b>		758,652	3,299,901	1,437,661	(138,779)	5,357,435
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		758,652	3,299,901	1,437,661		
<b>Cumulative profit rate sensitivity gap</b>		758,652	4,058,553	5,496,214		

----- 2023 -----					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

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

## Financial assets

Bank balances	12.25% - 22.45%	1,915,810	-	-	-	1,915,810
Investments	16.22% - 22.99%	-	1,027,518	2,429,115	-	3,456,633
Profit receivable		-	-	-	105,262	105,262
Receivable against conversion of units		-	-	-	2,653	2,653
Deposits and other receivables		-	-	-	103	103
		1,915,810	1,027,518	2,429,115	108,018	5,480,461

## Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	19,044	19,044
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	287	287
Payable against purchase of investments		-	-	-	141	141
Payable against redemption of units		-	-	-	15,657	15,657
Accrued expenses and other liabilities		-	-	-	809	809
		-	-	-	35,938	35,938

## On-balance sheet gap (a)

	1,915,810	1,027,518	2,429,115	72,080	5,444,523
--	-----------	-----------	-----------	--------	-----------

## Off-balance sheet financial instruments

	-	-	-	-	-
--	---	---	---	---	---

## Off-balance sheet gap (b)

	-	-	-	-	-
--	---	---	---	---	---

## Total profit rate sensitivity gap (a+b)

	1,915,810	1,027,518	2,429,115		
--	-----------	-----------	-----------	--	--

## Cumulative profit rate sensitivity gap

	1,915,810	2,943,328	5,372,443		
--	-----------	-----------	-----------	--	--

## (ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

## (iii) Price risk

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

The Fund does not hold any instruments that expose it to price risk as of June 30, 2024 and June 30, 2023.

## 19.2 Liquidity risk

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

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities

when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

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

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

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

----- 2024 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

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

#### Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	29,887	-	-	-	-	29,887
Payable to Central Depository Company of Pakistan Limited - the Trustee	280	-	-	-	-	280
Payable against purchase of investments	-	-	-	-	-	-
Payable against redemption of units	354,607	-	-	-	-	354,607
Accrued expenses and other liabilities	662	555	-	-	-	1,217
	<b>385,436</b>	<b>555</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>385,991</b>

----- 2023 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

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

#### Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	19,044	-	-	-	-	19,044
Payable to Central Depository Company of Pakistan Limited - the Trustee	287	-	-	-	-	287
Payable against purchase of investments	141	-	-	-	-	141
Payable against redemption of units	15,657	-	-	-	-	15,657
Accrued expenses and other liabilities	261	548	-	-	-	809
	<b>35,390</b>	<b>548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,938</b>

## 19.3 Credit risk

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

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees in '000 -----				
Bank balances	634,352	634,352	1,915,810	1,915,810
Investments	4,936,945	-	3,456,633	-
Profit receivable	68,556	6,843	105,262	24,926
Receivable against conversion of units	103,465	103,465	2,653	2,653
Deposits and other receivables	108	108	103	103
	<u>5,743,426</u>	<u>744,768</u>	<u>5,480,461</u>	<u>1,943,492</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Investment in government securities and its accrued profit, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

### 19.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2024	2023
<b>Bank balances and accrued profit thereon</b>		
AAA	0.14%	0.14%
AA+ *	-	0.03%
AA-	10.86%	35.21%
A+	0.01%	0.01%
A *	-	-
A-	0.02%	0.02%
	<u>11.03%</u>	<u>35.41%</u>

\* Nil due to rounding off

### 19.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties thereby any significant concentration of credit risk is mitigated.

All financial assets of the Fund exposed to credit risk as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired.

## 20 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 on 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.

## Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

As at June 30, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

----- As at June 30, 2024 -----			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

### ASSETS

#### Financial assets 'at fair value through profit or loss'

Government securities:

- Market Treasury Bills (MTBs)	-	3,260,788	-	3,260,788
- Pakistan Investment Bonds (PIBs)	-	1,575,989	-	1,575,989
- GOP Ijara Sukuks certificates	-	100,168	-	100,168
	-	4,936,945	-	4,936,945

----- As at June 30, 2023 -----			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

### ASSETS

#### Financial assets 'at fair value through profit or loss'

Government securities:

- Pakistan Investment Bonds (PIBs)	-	3,456,633	-	3,456,633
	-	3,456,633	-	3,456,633

## 21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' Fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the "Statement of Movement in Unit Holders' Fund".

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

## 22 UNIT HOLDING PATTERN OF THE FUND

Category	2024			2023		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	576	1,579,336	29.73%	444	2,473,300	45.58%
Retirement funds	21	1,612,834	30.37%	27	2,498,276	46.04%
Public limited companies	1	204,151	3.84%	-	-	-
Associated company and directors	2	589,877	11.10%	26	435,976	8.03%
Others	30	1,326,252	24.96%	1	19,037	0.35%
	<b>630</b>	<b>5,312,450</b>	<b>100.00%</b>	<b>498</b>	<b>5,426,589</b>	<b>100.00%</b>

## 23 LIST OF TOP 10 BROKERS BY PERCENTAGE OF COMMISSION PAID

2024		2023	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Alfalah Securities (Private) Limited	18.23%	Invest One Markets Limited	30.11%
Continental Exchange (Private) Limited	16.16%	Icon Securities (Private) Limited	25.54%
Summit Capital (Private) Limited	15.74%	Alfalah Securities (Private) Limited	22.59%
Invest One Markets Limited	10.85%	Continental Exchange (Private) Limited	11.11%
C & M Management (Private) Ltd.	10.83%	J.S. Global Capital Limited	6.38%
Bright Capital (Private) Limited	4.76%	Continental Management (Private) Limited	3.95%
Ali Shah Bukhari Securities (Private) Limited	4.76%	BIPL Securities Limited	0.21%
Mangenta Capital (Private) Limited	3.65%	Mangenta Capital (Private) Limited	0.11%
Paramount Capital (Private) Limited	3.28%		
Vector Securities (Private) Limited	2.04%		
	<b>90.28%</b>		<b>100.00%</b>

## 24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	36
Asim Wahab Khan	Chief Investment Officer	CFA	18
Salman Ahmed (note 28.1)	Head of Fixed Income	CFA	19
Hassan Raza	Head of Research	ACCA / BSC / CFA	13
Usama Bin Razi	Senior Manager - Fixed Income	BE, MBA	20

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

- NBP Financial Sector Income Fund
- NBP Government Securities Fund - I
- NBP Mustahkam Fund
- NBP Islamic Income Fund
- NBP Income Fund of Fund

- NBP Mahana Amdani Fund
- NBP Savings Fund
- NBP Government Securities Liquid Fund
- NBP Money Market Fund
- NBP Islamic Mustahkam Fund
- NBP Mustahkam Fund II
- NBP Riba Free Savings Fund
- NBP Islamic Mahana Amdani Fund
- NBP Islamic Savings Fund
- NBP Income Opportunity Fund
- NBP Islamic Daily Dividend Fund
- NBP Islamic Money Market Fund
- NBP Islamic Government Securities Fund - I

## 25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 92nd, 93rd, 94th, 95th, 96th and 97th Board Meetings were held on July 12, 2023, September 15, 2023, September 23, 2023, October 30, 2023, February 29, 2024 and April 25, 2024, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of directors	Number of meetings			Meetings not attended
	Held / applicable	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	6	6	-	-
Tauqeer Mazhar	6	5	1	94th Meeting
Mehnaz Salar	6	6	-	-
Ali Saigol	6	6	-	-
Imran Zaffar	6	5	1	92nd Meeting
Khalid Mansoor	6	6	-	-
Saad Amanullah Khan	6	6	-	-
Ruhail Muhammad	6	6	-	-
Dr. Amjad Waheed	6	6	-	-

## 26 CORRESPONDING FIGURES

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

## 27 GENERAL

27.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

## 28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2024.

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

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

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

\_\_\_\_\_  
Director

## PERFORMANCE TABLE

Particulars	For the Period ended June 30, 2024	For the Period ended June 30, 2023	For the Period ended June 30, 2022	For the Period ended June 30, 2021	For the Period ended June 30, 2020	For the Period ended June 30, 2019	For the Period ended June 30, 2018
Net assets (Rs. '000')	5,312,450	5,426,589	138,324	212,537	692,173	1,092,297	143,889
Net Income / (loss) (Rs. '000')	1,398,658	296,812	17,168	11,662	133,433	57,364	7,384
Net Asset Value per units (Rs.)	10.4885	10.4544	10.4090	10.3991	10.3490	10.3196	10.8208
Offer price per unit	10.6070	10.5725	10.5266	10.5166	10.4659	10.4362	10.9431
Redemption price per unit	10.4885	10.4544	10.4090	10.3991	10.3490	10.3196	10.8208
Ex - Highest offer price per unit (Rs.)	10.6070	10.5725	10.5266	10.5166	10.4976	10.4362	
Ex - Lowest offer price per unit (Rs.)	8.6538	9.0289	9.5439	9.8529	8.5399	9.6886	
Ex - Highest redemption price per unit (Rs.)	10.4885	10.4544	10.4090	10.3991	10.3803	10.3196	
Ex - Lowest redemption price per unit (Rs.)	8.5571	8.9280	9.4372	9.7726	8.5399	9.5770	
Opening Nav of Fiscal Year	8.5522	8.9246	9.4353	9.8763	8.5372	9.5704	
Total return of the fund	22.57%	17.14%	10.32%	5.29%	21.16%	7.83%	
Capital growth	1.45%	0.51%	0.10%	0.51%	1.78%	0.16%	
Income distribution as a % of e x nav	21.13%	16.63%	10.21%	4.79%	19.38%	7.67%	5.01%
Income distribution as a % of par value	22.09%	17.31%	10.62%	4.97%	20.00%	7.91%	5.16%
Interim distribution per unit					2.0001		
Final distribution per unit	2.2087	1.7313	1.0622	0.4972		0.7905	0.5162
<b>Distribution dates</b>							
Interim	27-Dec-2023				29-Oct-19		
Interim	27-Jun-2024				28-Nov-19		
Interim					27-Dec-19		
Interim					28-Jan-20		
Interim					27-Feb-20		
Interim					27-Mar-20		
Interim					29-Apr-20		
Interim					29-May-20		
Final		23-Jun-22	28-Jun-22	23-Jun-21		26-Jun-19	4-Jul-18
Average annual return (launch date 10-07-14)							
(Since inception to June 30, 2024)	11.41%						
(Since inception to June 30, 2023)		10.23%					
(Since inception to June 30, 2022)			9.39%				
(Since inception to June 30, 2021)				9.26%			
(Since inception to June 30, 2020)					9.93%		
(Since inception to June 30, 2019)						7.80%	
(Since inception to June 30, 2017)							
(Since inception to June 30, 2016)							
(Since inception to June 30, 2015)							
Portfolio Composition (Please see Fund Manager Report)							
Weighted average portfolio duration	438 Days	36 Days	182 Days	174 Days	662 Days	146 Days	13 Days

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

## 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](mailto:info@nbpfunds.com)

**Website:** [www.nbpfunds.com](http://www.nbpfunds.com)

 /nbpfunds