

# NBP MUSTAHKAM FUND - II

**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."



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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
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
Mr. Faisal Ahmed*	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

Bank Alfalah Limited  
Habib Metropolitan Bank Limited  
Allied Bank Limited  
The Bank of Punjab

## **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 4, Scheme 5,  
Clifton, Karachi 75600, Pakistan.

## **Head Office:**

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



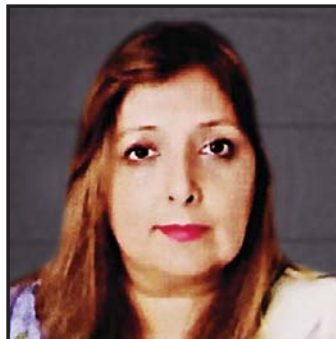
**Mr. Faisal Ahmed\***  
Director



**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 1st Annual Report of NBP Mustahkam Fund - II - NBP Fixed Term Munafa Plan - XI (NFTMP-XI), NBP Fixed Term Munafa Plan - XII (NFTMP-XII) and NBP Fixed Term Munafa Plan - XIV (NFTMP-XIV) for the year ended June 30, 2024.

### NBP Mustahkam Fund - II NBP Fixed Term Munafa Plan - XI (NFTMP-XI)

#### Fund's Performance

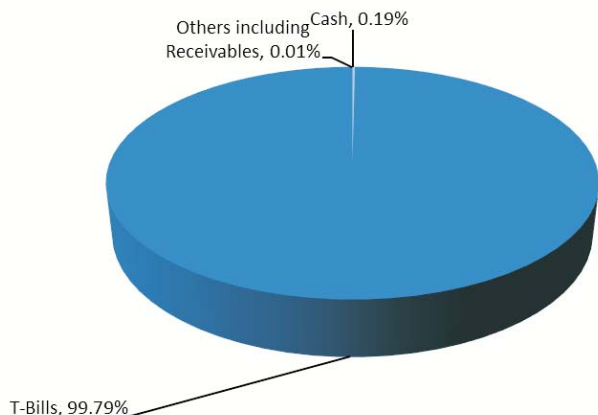
In FY24, the State Bank's Monetary Policy Committee (MPC) held eight meetings, reducing the policy rate by 150 basis points in the fourth quarter to 20.50%. This decision was supported by improving macroeconomic indicators, thanks to measures aimed at curbing inflation and improving its outlook. The 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 fund NBP Mustahkam Fund - II - NBP Fixed Term Munafa Plan - XI (NFTMP-XI) was launched on April 25, 2024 and closed at Rs. 1,551 million on June 30, 2024. During the period, the unit price of the Fund has increased from Rs 9.6361 (Ex-Div) since inception to Rs. 10.0171, thus showing a return of 21.86% as compared to the benchmark return of 20.69%. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 59.968 million during the period. After deducting total expenses of Rs. 0.696 million, the net income is Rs. 59.272 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NFTMP-XI as on June 30, 2024.



## Income Distribution

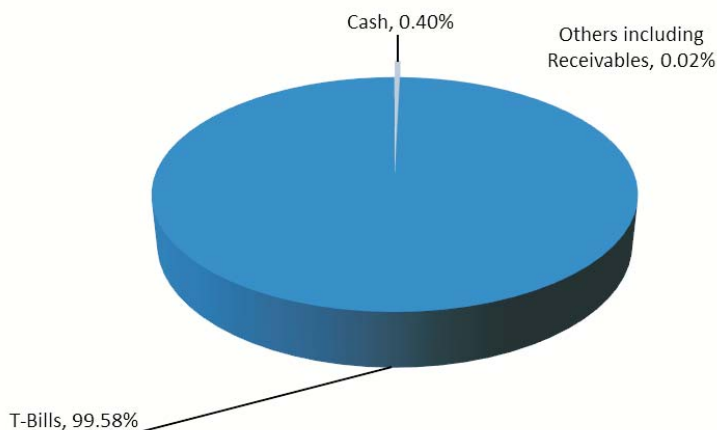
The Board of Directors of the Management Company has approved interim cash dividend of 3.776% of the opening ex-NAV (3.776% of the par value) during the period from April 25, 2024 to June 30, 2024.

### NBP MUSTAHKAM FUND - II - NBP FIXED TERM MUNAFA PLAN - XII (NFTMP-XII)

#### Fund's Performance

The fund NBP Mustahkam Fund - II - NBP Fixed Term Munafa Plan - XII (NFTMP-XII) was launched on April 25, 2024 and closed at Rs. 1,268 million on June 30, 2024. During the period, the unit price of the Fund has increased from Rs 9.6737 (Ex-Div) since inception to Rs. 10.0140, thus showing a return of 19.45% as compared to the benchmark return of 19.83%. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 45.572 million during the period. After deducting total expenses of Rs. 2.356 million, the net income is Rs. 43.216 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NFTMP-XII as on June 30, 2024.



## Income Distribution

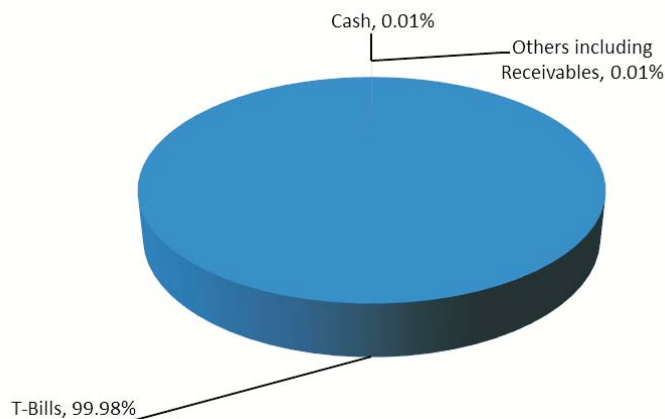
The Board of Directors of the Management Company has approved interim cash dividend of 3.373% of the opening ex-NAV (3.373% of the par value) during the period from April 25, 2024 to June 30, 2024.

### NBP MUSTAHKAM FUND - II - NBP FIXED TERM MUNAFA PLAN - XIV (NFTMP-XIV)

#### Fund's Performance

The fund NBP Mustahkam Fund - II - NBP Fixed Term Munafa Plan - XIV (NFTMP-XIV) was launched on May 23, 2024 and closed at Rs. 3,669 million on June 30, 2024. During the period, the unit price of the Fund has increased from Rs 9.7909 (Ex-Div) since inception to Rs. 10.0131, thus showing a return of 21.80% as compared to the benchmark return of 19.37%. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 85.391 million during the period. After deducting total expenses of Rs. 3.622 million, the net income is Rs. 81.769 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NFTMP-XIV as on June 30, 2024.



## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 2.136% of the opening ex-NAV (2.136% of the par value) during the period from May 23, 2024 to 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, retired and, being eligible, offer themselves for re-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 one meetings during the year. The attendance of all directors is disclosed in the note 24 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:

Category	Names
<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**

**Director**

Date: October 30, 2024

Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ میجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP مستحکم فنڈ-II (NFTMP-XI)-XI، NBP فکسڈ ٹرم منافع پلان XII (NFTMP-XII)-XII اور NBP فکسڈ ٹرم منافع پلان XIV (NFTMP-XIV)-XIV کی پہلی سالانہ رپورٹ برائے مختتمہ سال 30 جون 2024ء پیش کرتے ہوئے سمرٹ محسوس کر رہے ہیں۔

### NBP مستحکم فنڈ-II NBP فکسڈ ٹرم منافع پلان-XI (NFTMP-XI) 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 بیسیس 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 شکس، بنیادی اثرات، اور عالمی اجناس کی قیمتوں میں اتار چڑھاؤ کی وجہ سے قیمتوں میں عدم استحکام لاسکتے ہیں۔ حالیہ بجٹ اقدامات اور یوٹیلٹی ٹریف میں مسلسل اضافے سے بھی افراط زر کا نقطہ نظر خطرے میں ہے، جس سے افراط زر کی متوقع کمی سست ہو سکتی ہے۔

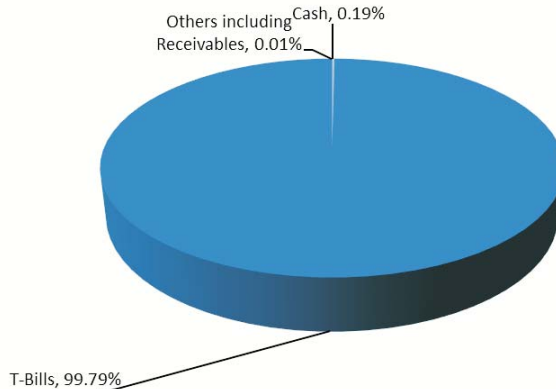
ثابت بات یہ ہے کہ کرنٹ اکاؤنٹ خسارے میں کمی، آپکچج کمپنیوں میں ابتدائی اصلاحات اور مارکیٹ کی غیر قانونی سرگرمیوں کے خلاف اقدامات سے ایف ایکس مارکیٹ کے جذبات اور لیکویڈیٹی میں بہتری آئی ہے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ توسیعی فنڈ سہولت (ای ایف ایف) پروگرام کے حوالے سے کامیاب مذاکرات نے اضافی کثیر الجہتی اور دو طرفہ 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 بہتر نتیجہ کم ہو رہا ہے۔ جون 2024 تک اسٹیٹ بینک آف پاکستان کے خالص لیکویڈز 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 سکیورٹیز میں زیادہ دلچسپی ظاہر کی۔ اسٹیٹ بینک نے چھبیس (26) ٹی بیل نیلامیاں منعقد کیں، جس میں 21.9 ٹریلین روپے کی مچورٹی 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 بیل کے شرح منافع میں بالترتیب 2.68 فیصد، 2.96 فیصد اور 4.25 فیصد کمی واقع ہوئی۔

فنڈ NBP مستحکم فنڈ-II NBP فکسڈ ٹرم منافع پلان-XI (NFTMP-XI)-XI کا آغاز اپریل 2024 کو آغاز کیا گیا اور 30 جون 2024 کو 1,551 ملین روپے پر بند ہوا۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت اپنے آغاز (Ex-Div) 9.6361 روپے سے بڑھ کر 10.0171 روپے ہو گئی، لہذا 20.69 فیصد نیچ مارک ریٹرن کے مقابلے میں 21.86 فیصد کار ریٹرن ظاہر کیا۔ فنڈ کی یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو مدت کے دوران 59.968 ملین روپے کی کل آمدنی ہوئی ہے۔ 0.696 ملین روپے کے اخراجات منہا کرنے کے بعد، خالص آمدنی 59.272 ملین روپے ہے۔

درج ذیل چارٹ 30 جون 2024 کے مطابق NFTMP-XI کی ہر ایک ذیلی کلاسوں کی ایسٹ ایلوکیشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



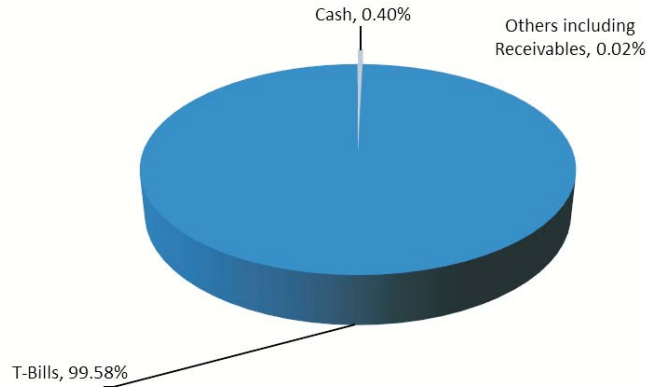
## آمدنی کی تقسیم

بینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 25 اپریل 2024 سے 30 جون 2024 کو ختم ہونے والی مدت کے دوران اوپننگ ex-NAV کا 3.776 فیصد (بنیادی قیمت کا 3.776%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## NBP مستحکم فنڈ-II NBP گلسڈ ٹرم منافع پلان (NFTMP-XII)-XII فنڈ کی کارکردگی

فنڈ NBP مستحکم فنڈ-II NBP گلسڈ ٹرم منافع پلان (NFTMP-XII)-XII کا 25 اپریل 2024 کو آغاز کیا گیا اور 30 جون 2024 کو 1,268 ملین روپے پر بند ہوا۔ اس مدت کے دوران، فنڈ کے پونٹ کی قیمت اپنے آغاز (Ex-Div) 9.6737 روپے سے بڑھ کر 10.0140 روپے ہو گئی، لہذا 19.83 فیصد بیچ مارک ریٹرن کے مقابلے 19.45 فیصد کار ریٹرن ظاہر کیا۔ فنڈ کی یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو مدت کے دوران 45.572 ملین روپے کی کل آمدنی ہوئی ہے۔ 2.356 ملین روپے کے اخراجات منہا کرنے کے بعد، خالص آمدنی 43.216 ملین روپے ہے۔ درج ذیل چارٹ 30 جون 2024 کے مطابق NFTMP-XII کی ہر ایک ذیلی کلاسوں کی ایسٹ ایلو کیشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



## آمدنی کی تقسیم

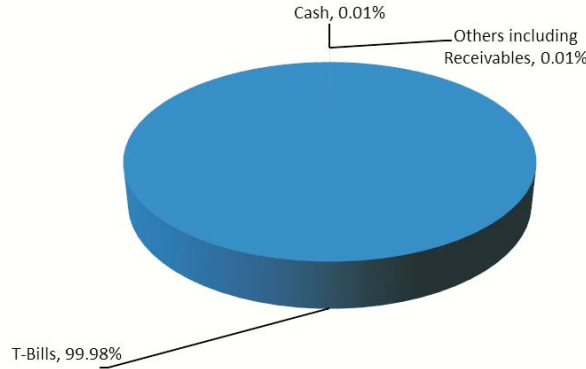
بینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 25 اپریل 2024 سے 30 جون 2024 کو ختم ہونے والی مدت کے دوران اوپننگ ex-NAV کا 3.373 فیصد (بنیادی قیمت کا 3.373%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## NBP مستحکم فنڈ-II NBP گلسڈ ٹرم منافع پلان (NFTMP-XIV)-XIV فنڈ کی کارکردگی

فنڈ NBP مستحکم فنڈ-II NBP گلسڈ ٹرم منافع پلان (NFTMP-XIV)-XIV کا 23 مئی 2024 کو آغاز کیا گیا اور 30 جون 2024 کو 3,669 ملین روپے پر بند ہوا۔ اس مدت کے دوران، فنڈ کے پونٹ کی قیمت اپنے آغاز (Ex-Div) 9.7909 روپے سے بڑھ کر 10.0131 روپے ہو گئی، لہذا 19.37 فیصد بیچ مارک ریٹرن کے مقابلے 21.80 فیصد کار ریٹرن ظاہر کیا۔ فنڈ کی یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو مدت کے دوران 85.391 ملین روپے کی کل آمدنی ہوئی ہے۔ 3.622 ملین روپے کے اخراجات منہا کرنے کے بعد، خالص آمدنی 81.769 ملین روپے ہے۔

درج ذیل چارٹ 30 جون 2024 کے مطابق NFTMP-XIV کی ہر ایک ذیلی کلاسوں کی ایسٹ ایلوکیشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



## آمدنی کی تقسیم

میٹجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 23 مئی 2024 سے 30 جون 2024 کو ختم ہونے والی مدت کے دوران اوپننگ ex-NAV کا 2.136% فیصد (بنیادی قیمت کا 2.136%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## ٹیکسیشن

کیونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران کمائی گئی آمدنی کے 90 فیصد سے زیادہ ہے، جو کہ مجموعی نقصانات اور کیپٹل گین سے کم ہوتا ہے، چاہے وہ حقیقی ہو یا غیر حقیقی، فنڈ انکم ٹیکس آرڈیننس، 2001 کے دوسرے شیڈول کے حصہ 1 کی تین 99 کے تحت ٹیکس کے تابع نہیں آتا ہے۔

## آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بنا پر 30 جون 2025 کو ختم ہونے والے سال کی دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

## لسٹڈ کمپنیوں کو ڈی آف کارپوریٹ گورننس ریگولیشنز 2019 ("CCG") کی پیروی میں ڈائریکٹرز میٹنگ

1. میٹجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ 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۔ شہریاتی 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 جوئی نہیں کی گئی۔
8. پرفارمنس ٹیمپل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران میٹجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے ایک اجلاس منعقد ہوا۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 24 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 22 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 17 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2024 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں



نام	کمیٹری
جناب خالد منصور جناب سعد امان اللہ خان جناب روجیل محمد	•1 •2 •3
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
شیخ محمد عبدالواحد سیٹھی (چیئر مین) جناب توقیر مظہر محترمہ مہناز سالار جناب علی سیگل جناب عمران ظفر	•1 •2 •3 •4 •5
	نان ایگزیکٹو ڈائریکٹرز

## اظہار تشکر

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

بورڈ اپنے اسٹاف اور رٹرنی 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 Mustahkam Fund - II (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from April 25, 2024 to 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.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, October 30, 2024

## FUND MANAGER REPORT

### NBP Mustahkam Fund - II - NBP Fixed Term Munafa Plan - XI

NBP Mustahkam Fund - NBP Fixed Term Munafa Plan-XI (NFTMP-XI) is an Open-End Fixed Rate / Return Plan.

#### Investment Objective of the Fund

To earn promised fixed returns by investing primarily in Fixed Income Instruments till maturity of the Plan.

#### Benchmark

Upto 06 months Average PKRV Rates.

#### Fund Performance Review

This is the 1st Annual report since the launch of the Fund on April 25, 2024. The Fund size stands at Rs. 1,551 million as of June 30, 2024. Since its inception, the Fund posted a return of 21.9% p.a. versus the benchmark return of 20.7% p.a. The return of the Fund is net of the management fee.

The Plan invests in Government Securities in line with the maturity of the plan, in order to deliver a fixed return to its unit holders at maturity.

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.

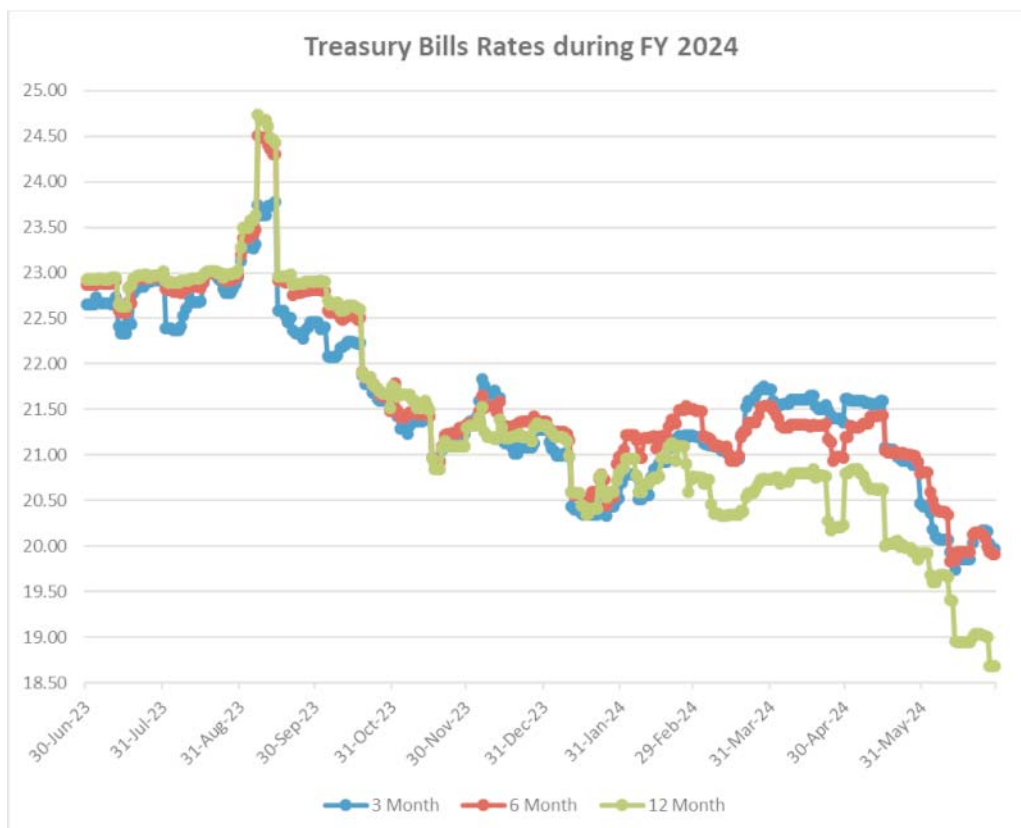
On a positive note, the narrower current account deficit, early reforms in exchange companies, and actions against illicit market activities have improved FX market sentiment and liquidity. Successful negotiations with the International Monetary Fund (IMF) regarding an Extended Fund Facility (EFF) program 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
T-Bills	100.38%
Cash & Other Assets	(0.38%)
<b>Total</b>	<b>100%</b>

T-Bills 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
Jun-24	3.776%	10.3776	10

### Unit Holding Pattern of NBP Mustahkam Fund - NBP Fixed Term Munafa Plan-XI as on June 30, 2024

Size of Unit Holding (Units)	# of Unit Holders
1-1000	
1001-5000	
5001-10000	
10001-50000	
50001-100000	
100001-500000	
500001-1000000	
1000001-5000000	
5000001-10000000	
10000001-100000000	1
100000001-1000000000	1
<b>Total</b>	<b>2</b>

## During the period under question

There has been no significant change in the state of affairs of the Fund. NBP Mustahkam Fund - NBP Fixed Term Munafa Plan-XI does not have any soft commission arrangement with any broker in the industry.

## NBP Mustahkam Fund - II - NBP Fixed Term Munafa Plan - XII

NBP Mustahkam Fund - NBP Fixed Term Munafa Plan-XII (NFTMP-XII) is an Open-End Fixed Rate / Return Plan.

## Investment Objective of the Fund

To earn promised fixed returns by investing primarily in Fixed Income Instruments till maturity of the Plan.

## Benchmark

12-month PKRV Rates.

## Fund Performance Review

This is the 1st Annual report since the launch of the Fund on April 25, 2024. The Fund size stands at Rs. 1,268 million as of June 30, 2024. Since its inception, the Fund posted a return of 19.5% p.a. versus the benchmark return of 19.8% p.a. The return of the Fund is net of the management fee.

The Plan invests in Government Securities in line with the maturity of the plan, in order to deliver a fixed return to its unit holders at maturity.

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.

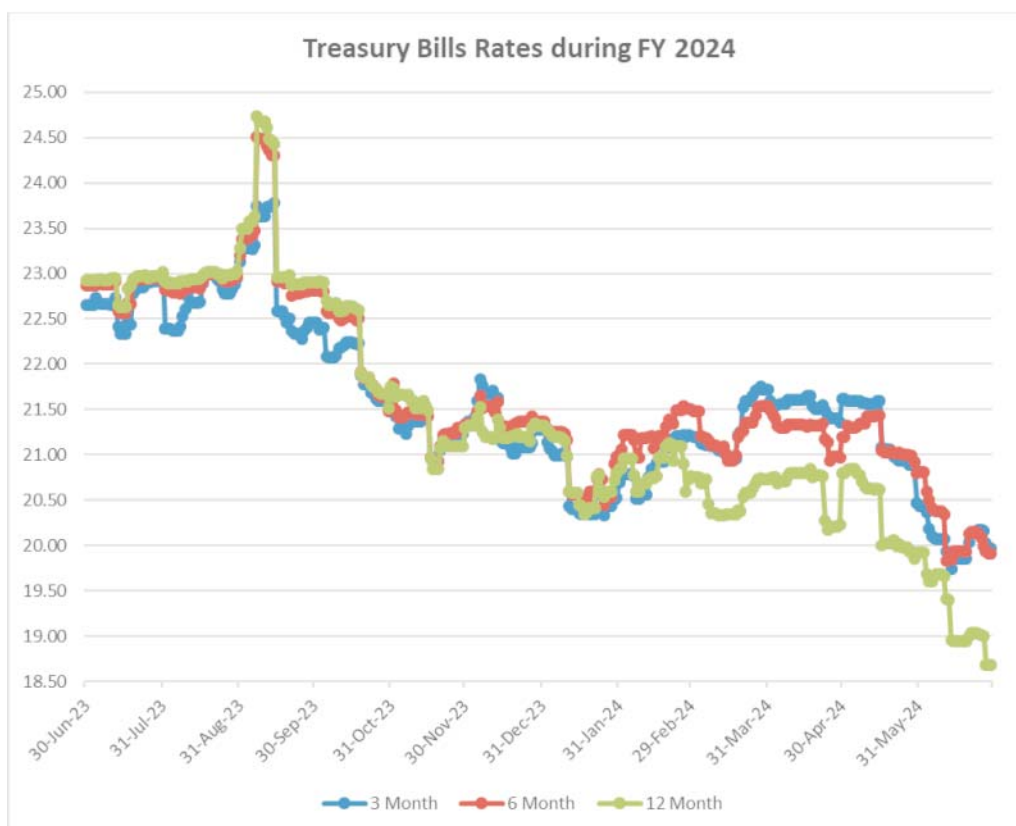
On a positive note, the narrower current account deficit, early reforms in exchange companies, and actions against illicit market activities have improved FX market sentiment and liquidity. Successful negotiations with the International Monetary Fund (IMF) regarding an Extended Fund Facility (EFF) program 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
T-Bills	100.04%
Cash & Other Assets	(0.04%)
<b>Total</b>	<b>100%</b>

T-Bills 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
June 30 2024	0.3373	10.3373	10

### Unit Holding Pattern of NBP Mustahkam Fund - NBP Fixed Term Munafa Plan-XII as on June 30, 2024

Size of Unit Holding (Units)	# of Unit Holders
1-1000	-
1001-5000	-
5001-10000	-
10001-50000	-
50001-100000	-
100001-500000	14
500001-1000000	3
1000001-5000000	12
5000001-10000000	4
10000001-100000000	3
<b>Total</b>	<b>36</b>

## During the period under question

There has been no significant change in the state of affairs of the Fund. NBP Mustahkam Fund - NBP Fixed Term Munafa Plan-XII does not have any soft commission arrangement with any broker in the industry.

## NBP Mustahkam Fund - II - NBP Fixed Term Munafa Plan - XIV

NBP Mustahkam Fund - NBP Fixed Term Munafa Plan-XIV (NFTMP-XIV) is an Open-End Fixed Rate / Return Plan.

## Investment Objective of the Fund

To earn promised fixed returns by investing primarily in Fixed Income Instruments till maturity of the Plan.

## Benchmark

Average 12-month PKRV Rates.

## Fund Performance Review

This is the 1st Annual report since the launch of the Fund on May 23, 2024. The Fund size stands at Rs. 3,669 million as of June 30, 2024. Since its inception, the Fund posted a return of 21.8% p.a. versus the benchmark return of 19.4% p.a. The return of the Fund is net of the management fee.

The Plan invests in Government Securities in line with the maturity of the plan, in order to deliver a fixed return to its unit holders at maturity.

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.

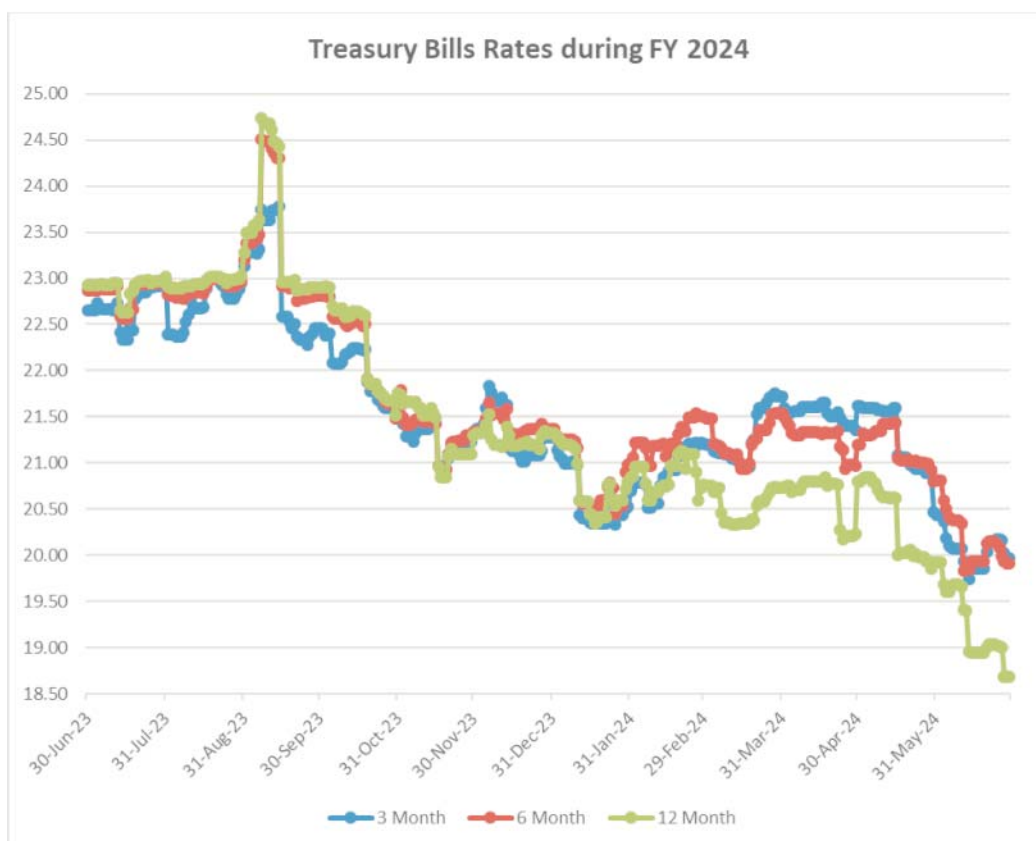
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In response to these policy measures, sovereign yields declined, with market participants showing greater interest in medium to long-term securities. The State Bank conducted twenty-six (26) T-Bill auctions, raising Rs. 21.7 trillion against a target 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
T-Bills	100.36%
Cash & Other Assets	(0.36%)
<b>Total</b>	<b>100%</b>

T-Bills 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
June 30 2024	0.2136%	10.2136	10

### Unit Holding Pattern of NBP Mustahkam Fund - NBP Fixed Term Munafa Plan-XIV as on June 30, 2024

Size of Unit Holding (Units)	# of Unit Holders
1-1000	
1001-5000	
5001-10000	
10001-50000	
50001-100000	1
100001-500000	18
500001-1000000	7
1000001-5000000	24
5000001-10000000	7
10000001-100000000	5
100000001-500000000	1
<b>Total</b>	<b>63</b>

## During the period under question

There has been no significant change in the state of affairs of the Fund. NBP Mustahkam Fund - NBP Fixed Term Munafa Plan-XIV does not have any soft commission arrangement with any broker in the industry.

## INDEPENDENT AUDITORS' REPORT

To the Unit holders of NBP Mustahkam Fund - II

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **NBP Mustahkam Fund - II** (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 period from April 25, 2024 to June 30, 2024, 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 period from April 25, 2024 to June 30, 2024, 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 note 5 to the financial statements)</p> <p>The investments constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2024 amounted to Rs. 6,507.879 million.</p> <p>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 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; and</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.</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: AR202410061w0adyH2Lt

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

	2024			
	NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total
<b>ASSETS</b>				
Balances with banks	4 3,043	5,142	337	8,522
Investments	5 1,557,247	1,268,735	3,681,897	6,507,879
Deposit and profit receivable	6 49	90	224	363
Preliminary expenses and floatation costs	7 137	170	183	490
<b>Total assets</b>	1,560,476	1,274,137	3,682,641	6,517,254
<b>LIABILITIES</b>				
Payable to NBP Fund Management Limited - the Management Company	8 220	996	2,407	3,623
Payable to Central Depository Company of Pakistan Limited - the Trustee	9 79	64	186	329
Payable to the Securities and Exchange Commission of Pakistan	10 95	78	224	397
Accrued expenses and other liabilities	11 8,749	4,730	11,053	24,532
<b>Total liabilities</b>	9,143	5,868	13,870	28,881
<b>NET ASSETS</b>	<u>1,551,333</u>	<u>1,268,269</u>	<u>3,668,771</u>	<u>6,488,373</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<u>1,551,333</u>	<u>1,268,269</u>	<u>3,668,771</u>	<u>6,488,373</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	----- No. of units -----		
<b>NUMBER OF UNITS IN ISSUE</b>	13 <u>154,868,937</u>	<u>126,649,670</u>	<u>366,395,643</u>	
	-----Rupees-----			
<b>NET ASSET VALUE PER UNIT</b>	3.6 <u>10.0171</u>	<u>10.0140</u>	<u>10.0131</u>	

The annexed notes 1 to 26 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

	Period from April 25, 2024 to June 30, 2024		Period from May 23, 2024 to June 30, 2024	Total
	NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	
Note ----- (Rupees in 000) -----				
<b>INCOME</b>				
Income on government securities	57,569	44,796	75,267	177,632
Loss on sale of investments - net	-	-	(6)	(6)
Profit on balances with banks	949	211	340	1,500
	58,518	45,007	75,601	179,126
Net unrealised appreciation on re-measurement of investments 'classified as financial assets' at fair value through profit or loss'	5.4 1,450	565	9,790	11,805
<b>Total income</b>	59,968	45,572	85,391	190,931
<b>EXPENSES</b>				
Remuneration of NBP Fund Management Limited - the Management Company	8.1 -	1,507	2,461	3,968
Sindh Sales Tax on remuneration of the Management Company	8.2 -	196	320	516
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	9.1 152	124	208	484
Sindh Sales Tax on remuneration of the Trustee	9.2 20	16	27	63
Fee to the Securities and Exchange Commission of Pakistan	10 207	169	284	660
Settlement and bank charges	18	38	28	84
Annual listing fee	7	-	-	7
Auditors' remuneration	14 203	231	31	465
Securities transaction cost	-	-	230	230
Legal and professional charges	20	25	11	56
Amortisation of preliminary expenses and floatation costs	7 63	30	17	110
Printing charges	7	20	5	32
<b>Total expenses</b>	696	2,356	3,622	6,674
<b>Net income for the period before taxation</b>	59,272	43,216	81,769	184,257
Taxation	15 -	-	-	-
<b>Net income for the period after taxation</b>	59,272	43,216	81,769	184,257
<b>Earnings per unit</b>	3.14			
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	59,272	43,216	81,769	
Income already paid on units redeemed	-	-	(142)	
	59,272	43,216	81,627	
<b>Accounting income available for distribution</b>				
- Relating to capital gains	1,450	565	9,784	
- Excluding capital gains	57,822	42,651	71,843	
	59,272	43,216	81,627	

The annexed notes 1 to 26 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

	Period from April 25, 2024 to June 30, 2024		Period from May 23, 2024 to June 30, 2024	Total
	NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed TermMunafa Plan - XIV	
	----- (Rupees in 000) -----			
Net income for the period after taxation	59,272	43,216	81,769	184,257
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>59,272</u>	<u>43,216</u>	<u>81,769</u>	<u>184,257</u>

The annexed notes 1 to 26 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

# NBP MUSTAHKAM FUND - II

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

	Period from April 25, 2024 to June 30, 2024						Period from May 23, 2024 to June 30, 2024			Total		
	NBP Fixed Term Munafa Plan - XI			NBP Fixed Term Munafa Plan - XII			NBP Fixed Term Munafa Plan - XIV			Capital value	Undistributed income	Total
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total			
	(Rupees in 000)						(Rupees in 000)			(Rupees in 000)		
Issuance of units:												
NFTMP - XI: 154,868,937 units /												
NFTMP - XII: 126,649,670 units /												
NFTMP - XIV: 371,670,509 units												
- Capital value (at net asset value per unit at the beginning of the period)	1,548,689	-	1,548,689	1,266,497	-	1,266,497	3,716,705	-	3,716,705	6,531,891	-	6,531,891
- Element of income	33	-	33	25	-	25	27,143	-	27,143	27,201	-	27,201
Total proceeds on issuance of units	1,548,722	-	1,548,722	1,266,522	-	1,266,522	3,743,848	-	3,743,848	6,559,092	-	6,559,092
Redemption of units:												
NFTMP - XIV: 5,274,866 units												
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	(52,749)	-	(52,749)	(52,749)	-	(52,749)
- Element of loss	-	-	-	-	-	-	(27,105)	(142)	(27,247)	(27,105)	(142)	(27,247)
Total payments on redemption of units	-	-	-	-	-	-	(79,854)	(142)	(79,996)	(79,854)	(142)	(79,996)
Total comprehensive income for the period	-	59,272	59,272	-	43,216	43,216	-	81,769	81,769	-	184,257	184,257
Total distribution during the period:												
NFTMP - XI @ Re. 0.3776 per unit declared on June 28, 2024	-	(56,661)	(56,661)	-	-	-	-	-	-	-	(56,661)	(56,661)
NFTMP - XII @ Re. 0.3373 per unit declared on June 28, 2024	-	-	-	-	(41,469)	(41,469)	-	-	-	-	(41,469)	(41,469)
NFTMP - XIV Re. 0.2136 per unit declared on June 28, 2024	-	-	-	-	-	-	-	(76,850)	(76,850)	-	(76,850)	(76,850)
	-	(56,661)	(56,661)	-	(41,469)	(41,469)	-	(76,850)	(76,850)	-	(174,980)	(174,980)
<b>Net assets at the end of the period</b>	<b>1,548,722</b>	<b>2,611</b>	<b>1,551,333</b>	<b>1,266,522</b>	<b>1,747</b>	<b>1,268,269</b>	<b>3,663,994</b>	<b>4,777</b>	<b>3,668,771</b>	<b>6,479,238</b>	<b>9,135</b>	<b>6,488,373</b>
Accounting income available for distribution												
- Relating to capital gains	1,450			565			9,784					
- Excluding capital gains	57,822			42,651			71,843					
	59,272			43,216			81,627					
Distribution during the period	(56,661)			(41,469)			(76,850)					
Undistributed income carried forward	2,611			1,747			4,777					
Undistributed income carried forward												
- Realised income / (losses)	1,161			1,182			(5,013)					
- Unrealised income	1,450			565			9,790					
	2,611			1,747			4,777					
	Rupees			Rupees			Rupees					
Net asset value per unit at the end of the period	10.0171			10.0140			10.0131					

The annexed notes 1 to 26 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

	Period from April 25, 2024 to June 30, 2024		Period from May 23, 2024 to June 30, 2024	Total
	NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	59,272	43,216	81,769	184,257
<b>Adjustments for:</b>				
Net unrealised appreciation on re-measurement of investments 'classified as financial assets 'at fair value through profit or loss'	5.4 (1,450)	(565)	(9,790)	(11,805)
Income on government securities	(57,569)	(44,796)	(75,267)	(177,632)
Profit on balances with banks	(949)	(211)	(340)	(1,500)
Amortisation of preliminary expenses and floatation costs	63	30	17	110
	(59,905)	(45,542)	(85,380)	(190,827)
<b>Increase in assets</b>				
Investments	(1,555,797)	(1,268,170)	(3,672,107)	(6,496,074)
Deposits	-	-	(58)	(58)
	(1,555,797)	(1,268,170)	(3,672,165)	(6,496,132)
<b>Increase in liabilities</b>				
Payable to NBP Fund Management Limited - Management Company	20	796	2,207	3,023
Payable to Central Depository Company of Pakistan Limited - Trustee	79	64	186	329
Payable to the Securities and Exchange Commission of Pakistan	95	78	224	397
Accrued expenses and other liabilities	8,749	4,730	11,053	24,532
	8,943	5,668	13,670	28,281
Profit received	58,469	44,917	75,441	178,827
<b>Net cash used in operating activities</b>	(1,489,018)	(1,219,911)	(3,586,665)	(6,295,594)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net receipts from issuance of units - net of refund of capital	1,548,722	1,266,522	3,743,848	6,559,092
Net payments against redemption of units	-	-	(79,996)	(79,996)
Dividend paid	(56,661)	(41,469)	(76,850)	(174,980)
<b>Net cash generated from financing activities</b>	1,492,061	1,225,053	3,587,002	6,304,116
<b>Net increase in cash and cash equivalents during the period</b>	3,043	5,142	337	8,522
Cash and cash equivalents at the beginning of the period	-	-	-	-
<b>Cash and cash equivalents at the end of the period</b>	4 3,043	5,142	337	8,522

The annexed notes 1 to 26 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 30 JUNE 2024

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Mustahkam Fund - II (the Fund) is an open ended fixed rate mutual fund scheme constituted under a Trust Deed entered 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 June 2, 2023 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).
- 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 (the SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 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 fixed rate fund by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from April 25, 2024 (NFTMP - XI and NFTMP - XII) and from May 23, 2024 (NFTMP - XIV) and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of NBP Fixed Term Munafa Plan - XI (NFTMP - XI), NBP Fixed Term Munafa Plan - XII (NFTMP - XII) and NBP Fixed Term Munafa Plan - XIV (NFTMP - XIV) is to offer various allocation plans and each allocation plans shall provide its investors a Fixed Rate / Return at the maturity date as per the authorised investments avenues of the respective allocation plans by investing in avenues such as government securities, cash in bank accounts, money market placements, deposits, certificates of musharakah and TDRs.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has reaffirmed the asset manager rating of the Management Company of 'AM1' on June 21, 2024. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of the systems and processes.
- 1.6 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 This is the first accounting period of the Fund and hence there are no comparative figures.

### 2 BASIS OF PRESENTATION

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

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

## 2.2 Standards, interpretations and amendments to published accounting and 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.

## 2.3 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards 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 period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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).

## 2.4 Basis of measurement

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

## 2.5 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 Rupee, which is the Fund's functional and presentation currency.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below.

### 3.1 Cash and cash equivalents

These comprise balances with banks in profit and loss sharing and current accounts, cheques in hand 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 recognised 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

The Fund assesses on a forward-looking basis the expected credit loss (ECL) associated with its financial assets (other than debt securities) 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.

## 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 period end.

## 3.7 Issue and redemption of units

Units issued are recorded at the offer price of each plan, determined by the Management Company for the applications 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 of each plan 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 the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes a portion of income already paid on units redeemed during the period.

Distributions declared subsequent to the period 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.

### 3.10 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 Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV 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 NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which 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 recorded in the income statement in the period in which these arise.
- Income on government securities is recognised using effective yield method.
- Profit on balances with banks is recognised on an accrual basis.

### 3.12 Expenses

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

### 3.13 Taxation

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

### 3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income of the period before taxation of the Fund by the weighted average number of units outstanding during the period.

Earnings per unit has not been disclosed in these financial statements as, in the opinion of the management, determination of the cumulative weighted average number of outstanding units for calculating EPU is not practicable.

### 3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupee 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 period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

		2024			
		NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total
<b>4</b>	<b>BALANCES WITH BANKS</b>	----- (Rupees in 000) -----			
	Savings accounts	3,043	5,142	337	8,522

4.1 These carry profit rate of 20.50% per annum.

		2024			
		NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total
<b>5</b>	<b>INVESTMENTS</b>	----- (Rupees in 000) -----			
	<b>At fair value through profit or loss</b>				
	Government securities - Market Treasury Bills	1,557,247	1,268,735	3,681,897	6,507,879

### 5.1 NBP Fixed Term Munafa Plan - XI

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 appreciation	Market value as a percentage of	
				Purchased during the period	Sold / matured during the period	As at June 30, 2024				total investments of NFTMP - XI	net assets of NFTMP - XI
October 19, 2023	October 17, 2024	12	21.25%	1,650,000	-	1,650,000	1,555,797	1,557,247	1,450	100.00%	100.38%
							----- (Rupees in 000) -----		----- % -----		
<b>As at June 30, 2024</b>							<b>1,555,797</b>	<b>1,557,247</b>	<b>1,450</b>	<b>100.00%</b>	<b>100.38%</b>

## 5.2 NBP Fixed Term Munafa Plan - XII

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 appreciation	Market value as a percentage of	
				Purchased during the period	Sold / matured during the period	As at June 30, 2024				total investments of NFTMP - XI	net assets of NFTMP - XI
April 18, 2024	April 17, 2025	12	20.25%	1,465,000	-	1,465,000	1,268,170	1,268,735	565	100.00%	100.04%
---- (Rupees in 000) ----										----- % -----	
As at June 30, 2024							1,268,170	1,268,735	565	100.00%	100.04%

## 5.3 NBP Fixed Term Munafa Plan - XIV

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 appreciation	Market value as a percentage of	
				Purchased during the period	Sold / matured during the period	As at June 30, 2024				total investments of NFTMP - XI	net assets of NFTMP - XI
May 2, 2024	May 2, 2025	12	20.06% - 20.15%	4,286,000	10,000	4,276,000	3,672,107	3,681,897	9,790	100.00%	100.36%
---- (Rupees in 000) ----										----- % -----	
As at June 30, 2024							3,672,107	3,681,897	9,790	100.00%	100.36%

### Note

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

2024			
NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total
----- (Rupees in 000) -----			

Market value of investments	5.1, 5.2 & 5.3	1,557,247	1,268,735	3,681,897	6,507,879
Less: carrying value of investments	5.1, 5.2 & 5.3	1,555,797	1,268,170	3,672,107	6,496,075
		1,450	565	9,790	11,804

## 6 DEPOSIT AND PROFIT RECEIVABLE

Security deposit with Central Depository Company of Pakistan Limited	-	-	58	58
Profit receivable on bank balances	49	90	166	305
	49	90	224	363

## 7 PRELIMINARY EXPENSES AND FLOATATION COSTS

Incurring during the period	200	200	200	600
Less: amortisation during the period	63	30	17	110
At the end of the period	137	170	183	490

- 7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of one year in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

		2024				
		NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total	
<b>8</b>	<b>PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY</b>	Note ----- (Rupees in 000) -----				
	Remuneration payable to the Management Company	8.1	-	693	1,943	2,636
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	-	90	252	342
	Payable against formation cost		200	200	200	600
	Other payables		20	13	12	45
			<u>220</u>	<u>996</u>	<u>2,407</u>	<u>3,623</u>

- 8.1 As per Regulation 61 of the NBFC Regulation, 2008, the Management Company is entitled to 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 for plans NFTMP-XII and NFTMP-XIV at the rate of 0.67% and 0.65% per annum of the average net assets of the Fund during the current period. The Management Company has not charged any remuneration for plan NMTMP-XI. The remuneration is payable to the Management Company monthly in arrears.

- 8.2 During the period, an amount of Rs. 0.196 million in NFTM-XII and Rs. 0.320 million in NFTM-XIV was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13%.

		2024				
		NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total	
<b>9</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY</b>	Note ----- (Rupees in 000) -----				
	Trustee fee payable	9.1	70	57	165	292
	Sindh Sales Tax on trustee fee	9.2	9	7	21	37
			<u>79</u>	<u>64</u>	<u>186</u>	<u>329</u>

- 9.1 The Trustee is entitled to monthly remuneration of 0.055% per annum of average net assets for services rendered to the Fund under the provisions of the Trust Deed.

- 9.2 During the period, an amount of Rs. 0.02 million in NFTMP - XI, Rs. 0.016 million in NFTMP - XII and Rs. 0.027 million in NFTMP - XIV, 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%.

		2024			
		NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total
<b>10</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>				
	Note	----- (Rupees in 000) -----			
	Fee payable	10.1	95	78	224
					397

- 10.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged SECP fee at the rate of 0.075% per annum of the daily net assets during the period ended June 30, 2024. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

		2024			
		NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total
<b>11</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>				
		----- (Rupees in 000) -----			
	Auditors' remuneration payable	203	231	31	465
	Printing charges payable	7	20	6	33
	Legal and professional charges payable	20	25	11	56
	Brokerage payable	-	-	230	230
	Withholding tax payable	8,516	4,435	10,752	23,703
	Other payables	3	19	23	45
		8,749	4,730	11,053	24,532

## 12 CONTINGENCIES AND COMMITMENTS

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

		2024			
		NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total
<b>13</b>	<b>NUMBER OF UNITS IN ISSUE</b>				
		-----Number of units-----			
	Total units in issue at the beginning of the period	-	-	-	-
	Add: units issued during the period	154,868,937	126,649,670	371,670,509	653,189,116
	Less: units redeemed during the period	-	-	5,274,866	5,274,866
	Total units in issue at the end of the period	154,868,937	126,649,670	366,395,643	647,914,250

		2024			
		NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total
<b>14</b>	<b>AUDITORS' REMUNERATION</b>				
		----- (Rupees in 000) -----			
	Annual audit fee	110	150	25	285
	Other certification	50	25	-	75
	Out of pocket expenses	43	56	6	105
		203	231	31	465

## 15 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 period 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 period 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 period ended June 30, 2024 to the unit holders in the manners as explained above, no provision for taxation has been made in these financial statements.

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

## 16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2024 is 0.25% in NFTMP - XI, 1.05% in NFTMP - XII and 0.96% in NFTMP - XIV which includes 0.08% in NFTMP - XI, 0.17% in NFTMP - XII and 0.17% in NFTMP - XIV representing government levies and the SECP fee. The TER excluding government levies and the SECP fee is 0.17% in NFTMP - XI, 0.88% in NFTMP - XII and 0.79% in NFTMP - XIV which is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Fixed Rate / Return' scheme.

## 17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

17.1 Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

17.2 Transactions with connected persons are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with 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.

17.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

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

For the period from April 25, 2024 to June 30, 2024			
NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total
----- (Rupees in 000) -----			

### NBP Fund Management Limited - Management Company

Remuneration of the Management Company	-	1,507	2,461	3,968
Sindh Sales Tax on remuneration of the Management Company	-	196	320	516

For the period from April 25, 2024 to June 30, 2024

NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total
---------------------------------	----------------------------------	----------------------------------	-------

(Rupees in 000)

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration of Central Depository Company of Pakistan Limited

152 124 208 484

Sindh Sales Tax on remuneration of the Trustee

20 16 27 63

Units issued / transferred in:

- 4,986,706 units (NFTMP - XIV)

- - 49,867 49,867

Dividend re-invested:

- 90,485 units (NFTMP - XIV)

- - 905 905

**FAUJI FERTILIZER COMPANY LIMITED**

Units issued :

- 10,000,000 units (NFTMP - XII)

- 100,000 - 100,000

- 29,908,483 units (NFTMP - XIV)

- - 299,085 299,085

Dividend re-invested:

- 286,513 units (NFTMP - XII)

- 2,867 - 2,867

- 542,698 units (NFTMP - XIV)

- - 5,430 5,430

**Portfolio managed by the Management Company**

Units issued / transferred in:

- 4,944,075 units (NFTMP - XII)

- 49,441 - 49,441

Dividend re-invested:

- 141,654 units (NFTMP - XII)

- 1,417 - 1,417

**MASTER TEXTILE MILLS LIMITED**

- Units holder with more than 10% holding

Units issued / transferred in:

- 154,726,757 units (NFTMP - XIV)

- - 1,549,294 1,549,294

**ENGLISH BISCUIT MANUFACTURERS (PRIVATE) LIMITED**

- Units holder with more than 10% holding

Units issued / transferred in:

- 103,265,227 units (NFTMP - XI)

1,034,418 - - 1,034,418

**DEFENCE HOUSING AUTHORITY LAHORE**

- Units holder with more than 10% holding holding

Units issued / transferred in:

- 51,603,709 units (NFTMP - XI)

516,920 - - 516,920

**FAUJI AKBAR PORTIA MARINE TERMINALS LIMITED**

- Units holder with more than 10% holding

Units issued / transferred in:

- 51,329,439 units (NFTMP - XII)

- 514,013 - 514,013

## 17.6 Amounts outstanding as at period end

2024			
NBP Fixed Term Munafa Plan - XI	NBP Fixed Term Munafa Plan - XII	NBP Fixed Term Munafa Plan - XIV	Total

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

### NBP Fund Management Limited - Management Company

Remuneration payable to the Management Company	-	693	1,943	2,636
Sindh Sales Tax payable on remuneration of the Management Company	-	90	252	342
Other payables	20	13	12	45
Payable against formation cost	200	200	200	600

### Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	70	57	165	292
Sindh sales tax payable on remuneration of the Trustee	9	7	21	37
Units held:				
- 5,077,191 units (NFTMP - XIV)	-	-	50,838	50,838

### Portfolio managed by the Management Company

Units held:				
- 5,085,729 units (NFTMP - XII)	-	50,928	-	50,928

### FAUJI FERTILIZER COMPANY LIMITED

Units held:				
- 10,286,513 units (NFTMP - XII)	-	103,009	-	103,009
- 30,451,181 units (NFTMP - XIV)	-	-	304,911	304,911

### MASTER TEXTILE MILLS LIMITED

#### - Units holder with more than 10% holding

Units held:				
- 154,726,757 units (NFTMP - XIV)	-	-	1,549,294	1,549,294

### ENGLISH BISCUIT MANUFACTURERS (PRIVATE) LIMITED

#### - Units holder with more than 10% holding

Units held:				
- 103,265,227 units (NFTMP - XI)	1,034,418	-	-	1,034,418

### DEFENCE HOUSING AUTHORITY LAHORE

#### - Units holder with more than 10% holding holding

Units held:				
- 51,603,709 units (NFTMP - XI)	516,920	-	-	516,920

### FAUJI AKBAR PORTIA MARINE TERMINALS LIMITED

#### - Units holder with more than 10% holding

Units held:				
- 51,329,439 units (NFTMP - XII)	-	514,013	-	514,013

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

### 18.1 NBP Fixed Term Munafa Plan - XI

#### Financial assets

Balances with banks  
Investments  
Deposit and profit receivable

#### Financial liabilities

Payable to NBP Fund Management Limited  
- the Management Company  
Payable to Central Depository Company  
of Pakistan Limited - the Trustee  
Accrued expenses and other liabilities

2024		
At amortised cost	At fair value through	Total
(Rupees in 000)		
3,043	-	3,043
-	1,557,247	1,557,247
49	-	49
<u>3,092</u>	<u>1,557,247</u>	<u>1,560,339</u>
220	-	220
79	-	79
233	-	233
<u>532</u>	<u>-</u>	<u>532</u>

### 18.2 NBP Fixed Term Munafa Plan - XII

#### Financial assets

Balances with banks  
Investments  
Deposit and profit receivable

#### Financial liabilities

Payable to NBP Fund Management Limited  
- the Management Company  
Payable to Central Depository Company  
of Pakistan Limited - the Trustee  
Accrued expenses and other liabilities

2024		
At amortised cost	At fair value through	Total
(Rupees in 000)		
5,142	-	5,142
-	1,268,735	1,268,735
90	-	90
<u>5,232</u>	<u>1,268,735</u>	<u>1,273,967</u>
996	-	996
64	-	64
295	-	295
<u>1,355</u>	<u>-</u>	<u>1,355</u>

### 18.3 NBP Fixed Term Munafa Plan - XIV

#### Financial assets

Balances with banks  
Investments  
Deposit and profit receivable

#### Financial liabilities

Payable to NBP Fund Management Limited  
- the Management Company  
Payable to Central Depository Company  
of Pakistan Limited - the Trustee  
Accrued expenses and other liabilities

2024		
At amortised cost	At fair value through	Total
(Rupees in 000)		
337	-	337
-	3,681,897	3,681,897
224	-	224
<u>561</u>	<u>3,681,897</u>	<u>3,682,458</u>
2,407	-	2,407
186	-	186
301	-	301
<u>2,894</u>	<u>-</u>	<u>2,894</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 setup 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 and the regulations laid down by the SECP.

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

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

Yield / profit 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 profit rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks and market treasury bills. 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 balances held with banks which expose the Fund to cash flow yield / profit 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 profit for the period and net assets of the Fund would have been higher / lower by Rs. 0.03 million for NFTMP - XI, Rs. 0.051 million for NFTMP - XII and Rs. 0.003 million for NFTMP - XIV.

#### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds market treasury bills which expose the Fund to cash flow profit 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 period and net assets of the Fund would have been lower / higher by Rs. 15.572 million for NFTMP - XI, Rs. 12.687 million for NFTMP - XII and Rs. 36.819 million for NFTMP - XIV.

The composition of the Fund's investment portfolio and KIBOR rates 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 yield / profit rates.

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

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

# NBP MUSTAHKAM FUND - II

## NBP Fixed Term Munafa Plan - XI

----- 2024 -----					
Effective yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit 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>					
Balances with banks	20.50%	3,043	-	-	3,043
Investments	21.25%	-	1,557,247	-	1,557,247
Deposit and profit receivable		-	-	49	49
		3,043	1,557,247	49	1,560,338
<b>Financial liabilities</b>					
Payable to NBP Fund Management Limited - Management Company		-	-	220	220
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	79	79
Accrued expenses and other liabilities		-	-	233	233
		-	-	532	532
<b>On-balance sheet gap</b>		3,043	1,557,247	(483)	
<b>Total profit rate sensitivity gap</b>		3,043	1,557,247	-	
<b>Cumulative profit rate sensitivity gap</b>		3,043	1,560,289	1,560,289	

## NBP Fixed Term Munafa Plan - XII

----- 2024 -----					
Effective yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit 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>					
Balances with banks	20.50%	5,142	-	-	5,142
Investments	20.25%	-	1,268,735	-	1,268,735
Deposit and profit receivable		-	-	90	90
		5,142	1,268,735	90	1,273,967
<b>Financial liabilities</b>					
Payable to NBP Fund Management Limited - Management Company		-	-	996	996
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	64	64
Accrued expenses and other liabilities		-	-	295	295
		-	-	1,355	1,355
<b>On-balance sheet gap</b>		5,142	1,268,735	(1,265)	
<b>Total profit rate sensitivity gap</b>		5,142	1,268,735	-	
<b>Cumulative profit rate sensitivity gap</b>		5,142	1,273,877	1,273,877	

## NBP Fixed Term Munafa Plan - XIV

Effective yield / profit rate (%)	2024				
	Exposed to yield / profit rate risk			Not exposed to yield / profit 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

Balances with banks	20.50%	337	-	-	-	337
Investments	20.06% - 20.15%	-	3,681,897	-	-	3,681,897
Deposit and profit receivable		-	-	-	224	224
		337	3,681,897	-	224	3,682,458

### Financial liabilities

Payable to NBP Fund Management Limited - Management Company		-	-	-	2,407	2,407
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	186	186
Accrued expenses and other liabilities		-	-	-	301	301
		-	-	-	2,894	2,894

### On-balance sheet gap

	337	3,681,897	-	(2,670)
--	-----	-----------	---	---------

### Total profit rate sensitivity gap

	337	3,681,897	-
--	-----	-----------	---

### Cumulative profit rate sensitivity gap

	337	3,682,234	3,682,234
--	-----	-----------	-----------

## (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 fair value or 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 have any investment that is exposed to price risk as of June 30, 2024.

## 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 these fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions requests, 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, 2008, the Fund can borrow in the short term to ensure settlement, the maximum limit of 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 period.

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 period ended June 30, 2024.

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:

## NBP Fixed Term Munafa Plan - XI

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) -----						
Balances with banks	3,043	-	-	-	-	3,043
Investments	-	-	1,557,247	-	-	1,557,247
Deposit and profit receivable	49	-	-	-	-	49
	3,091	-	1,557,247	-	-	1,560,338
<b>Financial liabilities</b>						
Payable to NBP Fund Management Limited - Management Company	220	-	-	-	-	220
Payable to Central Depository Company of Pakistan Limited - Trustee	79	-	-	-	-	79
Accrued expenses and other liabilities	30	203	-	-	-	233
	329	203	-	-	-	532

## NBP Fixed Term Munafa Plan - XII

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) -----						
Balances with banks	5,142	-	-	-	-	5,142
Investments	-	-	1,268,735	-	-	1,268,735
Deposit and profit receivable	90	-	-	-	-	90
	5,232	-	1,268,735	-	-	1,273,967
<b>Financial liabilities</b>						
Payable to NBP Fund Management Limited - Management Company	996	-	-	-	-	996
Payable to Central Depository Company of Pakistan Limited - Trustee	64	-	-	-	-	64
Accrued expenses and other liabilities	64	231	-	-	-	295
	1,124	231	-	-	-	1,355

## NBP Fixed Term Munafa Plan - XIV

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 assets

Balances with banks	337	-	-	-	-	337
Investments	-	-	3,681,897	-	-	3,681,897
Deposit and profit receivable	166	-	-	-	58	224
	503	-	3,681,897	-	58	3,682,458

### Financial liabilities

Payable to NBP Fund Management Limited - Management Company	2,407	-	-	-	-	2,407
Payable to Central Depository Company of Pakistan Limited - Trustee	186	-	-	-	-	186
Accrued expenses and other liabilities	270	31	-	-	-	301
	2,863	31	-	-	-	2,894

## 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:

### Financial assets

#### NBP Fixed Term Munafa Plan - XI

	2024	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Balances with banks	3,043	3,043
Investments	1,557,247	-
Deposit and profit receivable	49	49
	<u>1,560,339</u>	<u>3,092</u>

(Rupees in 000)

#### NBP Fixed Term Munafa Plan - XII

Balances with banks	5,142	5,142
Investments	1,268,735	-
Deposit and profit receivable	90	90
	<u>1,273,967</u>	<u>5,232</u>

#### NBP Fixed Term Munafa Plan - XIV

Balances with banks	337	337
Investments	3,681,897	-
Deposit and profit receivable	224	224
	<u>3,682,458</u>	<u>561</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, 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 and profit accrued is as follows:

Rating	2024		
	% of financial assets exposed to credit		
	NFTMP - XI	NFTMP - XII	NFTMP - XIV
<b>Bank balances and accrued profit thereon</b>			
AA+	0.19%	0.42%	0.01%

## 19.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

All financial assets of the Fund as at June 30, 2024 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 revalued at the net asset value prevailing on the Statement of Assets and Liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

### 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, the Fund held the following financial instruments measured at fair value:

### 20.1 NBP Fixed Term Munafa Plan - XI

At fair value through profit or loss

	2024			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in 000) -----			
Government securities - Market Treasury Bills	-	1,557,247	-	1,557,247

20.2 NBP Fixed Term Munafa Plan - XII	2024			
	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>	----- (Rupees in 000) -----			
Government securities - Market Treasury Bills	-	1,268,735	-	1,268,735

20.3 NBP Fixed Term Munafa Plan - XIV	2024			
	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>	----- (Rupees in 000) -----			
Government securities - Market Treasury Bills	-	3,681,897	-	3,681,897

## 21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. The units of the plans are entitled to dividends and to payment of a proportionate share based on the respective plans' 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 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'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		
	Number of unit holders	Investment amount	Percentage of total
	----- (Rupees in 000) -----		
<b>NBP Fixed Term Munafa Plan - XI</b>			
Others	2	1,551,333	100%
	2	1,551,333	100%
<b>NBP Fixed Term Munafa Plan - XII</b>			
Individuals	26	249,410	19.7%
Others	3	570,612	45.0%
Associated Company and Directors	1	103,009	8.1%
Retirement Funds	6	345,238	27.2%
	36	1,268,269	100%
<b>NBP Fixed Term Munafa Plan - XIV</b>			
Individuals	50	1,310,240	35.7%
Others	6	1,782,694	48.6%
Associated Company and Directors	1	304,911	8.3%
Retirement Funds	6	270,926	7.4%
	63	3,668,771	100%

## 23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

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 26.1)	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

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

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

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

The 97th Board Meeting was held on April 25, 2024. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	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	-	-

**25 GENERAL**

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

**26 DATE OF AUTHORISATION FOR ISSUE**

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

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

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

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

\_\_\_\_\_  
**Director**

## PERFORMANCE TABLE

Particulars	NFTMP-XI	NFTMP-XII	NFTMP-XIV
	For the Period from April 25, 2024 to June 30, 2024	For the Period from April 25, 2024 to June 30, 2024	For the Period from May 23, 2024 to June 30, 2024
Net assets at the year / period ended (Rs '000)	1,551,333	1,268,269	3,668,772
Net income/(loss) for the year / period ended (Rs '000)	59,272	43,216	81,769
Net Asset Value per unit at the year / period ended (Rs)	10.0171	10.0140	10.0131
Offer Price per unit	N/A	N/A	N/A
Redemption Price per unit	10.0171	10.0140	10.0131
Ex - Highest offer price per unit (Rs.)	N/A	N/A	N/A
Ex - Lowest offer price per unit (Rs.)	N/A	N/A	N/A
Ex - Highest redemption price per unit (Rs.)	10.0171	10.014	10.0131
Ex - Lowest redemption price per unit (Rs.)	9.6361	9.6492	9.7878
Opening Nav of Fiscal Year/Since inception NAV	9.6361	9.6737	9.7909
Total return of the fund	21.86%	19.45%	21.80%
Capital growth	18.09%	16.08%	19.67%
Income distribution as a % of ex nav	3.78%	3.37%	2.14%
Income distribution as a % of par value	3.78%	3.37%	2.14%
<b>Distribution</b>			
Interim distribution per unit	0.3776	0.3373	0.2136
Interim distribution per unit			
Final distribution per unit			
<b>Distribution Dates</b>			
Interim	28-Jun-24	28-Jun-24	28-Jun-24
Interim			
Average annual return of the fund (Since inception to June 30, 2024)	21.86%	19.45%	21.80%
Portfolio Composition ( Please see Fund Manager Report)			
<i>Past performance is not necessarily indicative of future</i>			

## Head Office

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