

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگ

NBP Fund Management Limited



NBP ISLAMIC SAVINGS FUND

QUARTERLY REPORT
MARCH 31, 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
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Ruhail Muhammad	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Tauqeer Mazhar	Member

Strategy & Business Planning Committee

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

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

Al Baraka Islamic Bank Limited	U Microfinance Bank Limited
Allied Bank Limited	National Bank of Pakistan
Bank Alfalah Limited	Silk Bank Limited
Bank Al Habib Limited	Soneri Bank Limited
Bankislami Pakistan Limited	United Bank Limited
Dubai Islamic Bank Pakistan Limited	Faysal Bank Limited
Habib Bank Limited	
Habib Metropolitan Bank Limited	
JS Bank Limited	
MCB Bank Limited	
Meezan Bank Limited	

Auditors

Grant Thornton Anjum Rahman.
1st & 3rd Floor,
Modern Motors House, Beaumont Road,
Karachi, 75530

Legal Advisor

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

Head Office:

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

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.
Phone: 051-2514987
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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Islamic Savings Fund (NBP-ISF)** for the period ended March 31, 2024.

Fund's Performance

During 9MFY24, the State Bank of Pakistan (SBP) convened six Monetary Policy Committee (MPC) meetings, maintaining the policy rate at 22%. Despite some improvements in the inflation outlook, the need for a prudent approach to monetary policy was emphasized, particularly considering significant adjustments in administered energy prices that have impacted inflation outcomes and future projections.

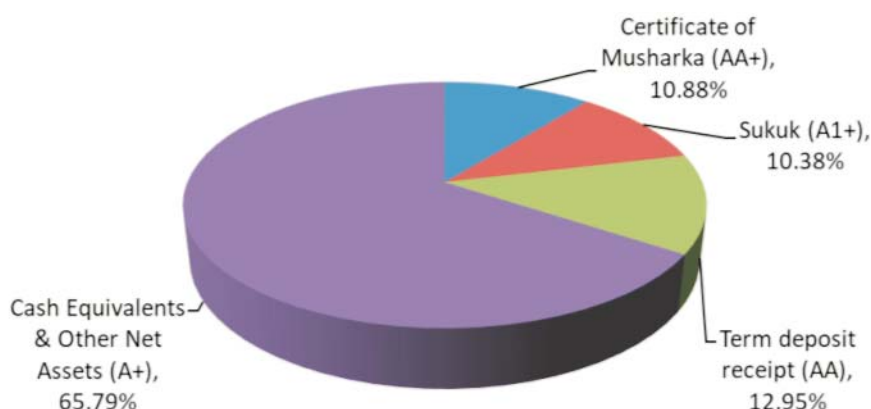
The MPC considered various factors, including an improved agricultural outlook, fluctuations in global oil prices, and ongoing efforts toward fiscal consolidation. However, the economic situation continues to face challenges due to lack of fiscal discipline. Additionally, escalating geopolitical tensions have led to increased global freight charges, posing threats to global trade and commodity prices.

The MPC emphasized the importance of maintaining the current strict monetary policy stance alongside fiscal consolidation to achieve the medium-term inflation target. The net liquid foreign exchange reserves held with SBP as at 29-Mar-24 stands at around USD 8.04 billion.

NBP-ISF is categorized as a Shariah Compliant Income Fund and has been awarded stability rating of 'AA- (f)' by PACRA. The market witnessed issuance of a decent size of short-term corporate sukuks to meet the increasing funding need for working capital/bridge financing for fixed capital investments.

The size of NBP Islamic Savings Fund has increased from Rs. 3,690 million to Rs. 10,037 million during the period (a massive growth of 172.0%). During the period, the unit price of the Fund has increased from Rs. 8.3522 (Ex-Div) on June 30, 2023 to Rs. 9.5870 on March 31, 2024, thus showing return of 19.6% as compared to the benchmark return of 9.8% for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 759.24 million during the period. After deducting total expenses of Rs. 75.51 million, the net income is Rs. 683.73 million. The asset allocation of NBP-ISF as on March 31, 2024 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 14.54% of the opening ex-NAV (13.94% of the par value) during the period ended March 31, 2024.

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: **April 25, 2024**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2024ء کو ختم ہونے والی نو ماہی کے لئے NBP اسلامک سیونگ فنڈ (NBP-ISF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 24 کی نو ماہی کے دوران، بینک دولت پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چھ اجلاس منعقد کئے، پالیسی ریٹ %22 پر برقرار رکھا۔ افراط زر کے نقطہ نظر میں کچھ بہتری کے باوجود، مانیٹری پالیسی کے لیے ایک محتاط اپروچ کی ضرورت پر زور دیا گیا، خاص طور پر زیر نظام توانائی کی قیمتوں میں اہم ایڈجسٹمنٹ پر غور کیا گیا جس نے افراط زر کے نتائج اور مستقبل کے تخمینوں کو متاثر کیا ہے۔

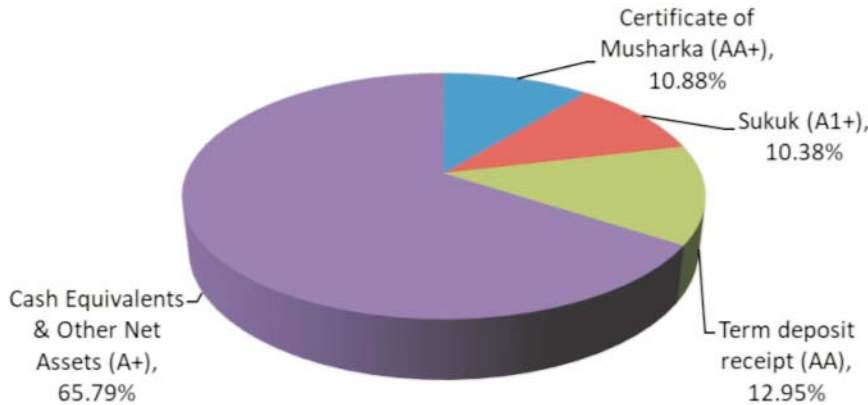
MPC نے بہتر زرعی نقطہ نظر، تیل کی عالمی قیمتوں میں اتار چڑھاؤ، اور مالی استحکام کی جانب جاری کوششوں سمیت مختلف عوامل پر غور کیا۔ تاہم، مالیاتی نظم و ضبط کے فقدان کی وجہ سے معاشی صورتحال کو مسلسل چیلنجز کا سامنا ہے۔ مزید برآں، بڑھتے ہوئے جغرافیائی سیاسی تناؤ کی وجہ سے عالمی فریٹ چارجز میں اضافہ ہوا ہے، جس سے عالمی تجارت اور اجناس کی قیمتوں کو خطرات لاحق ہیں۔

وسط مدتی افراط زر کا ہدف حاصل کرنے کے لئے مالی استحکام کے ساتھ ساتھ موجودہ سخت مانیٹری پالیسی کے موقف کو برقرار رکھنے کی اہمیت کو تسلیم کرتے ہوئے PMC نے مسلسل نگرانی کی ضرورت پر زور دیا۔ 29 مارچ 2024 تک اسٹیٹ بینک پاکستان کے ہاں موجود خالص لیکویڈز رِمبادلہ کے ذخائر تقریباً 8.04 بلین امریکی ڈالر تھے۔

NBP-ISF کی شریعہ کمپلائنسٹ آف فنانس کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'AA-(f)' کی مستحکم ریٹنگ دی گئی ہے۔ مارکیٹ نے فکسڈ کیپیٹل انویسٹمنٹ اور ورکنگ کیپیٹل کی بڑھتی ہوئی فنڈنگ کی ضرورت کو پورا کرنے کے لیے قلیل مدتی کارپوریٹ سکوک کے معقول سائز کا اجراء دیکھا۔

NBP اسلامک سیونگ فنڈ کا سائز اس مدت کے دوران 3,690 ملین روپے سے بڑھ کر 10,037 ملین روپے ہو گیا ہے (یعنی %172.0 کا قابل ذکر اضافہ ہوا)۔ مدت کے دوران، فنڈ کی یونٹ قیمت 30 جون 2023 کو 8.3522 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2024 کو 9.5870 روپے تک پہنچ گئی ہے، لہذا اسی مدت کے دوران %9.8 سالانہ پیچ مارک منافع کے مقابلے میں %19.6 سالانہ منافع درج کروایا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 759.24 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 75.51 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 683.73 ملین روپے ہے۔ 31 مارچ 2024 کو NBP-ISF کی ایٹ ایبلویشن درج ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2024 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 14.54% (بنیادی قدر کا 13.94%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر ریونٹ 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 آرٹسٹس 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: 25 اپریل 2024ء

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2024

		Unaudited March 31, 2024	Audited June 30, 2023
ASSETS	Note	Rupees in '000	
Bank Balances	4	6,474,366	2,723,109
Investments	5	3,434,110	1,036,936
Profit Receivable		163,477	68,975
Deposits, prepayments and other receivables		1,810	1,614
Total assets		10,073,763	3,830,634
LIABILITIES			
Payable to NBP Funds Management Limited - Management Company		13,812	18,923
Payable to Central Depository Company of Pakistan Limited - Trustee		528	271
Payable to the Securities and Exchange Commission of Pakistan		467	581
Payable against redemption of units		219	59,612
Accrued expenses and other liabilities		21,681	61,384
Total liabilities		36,707	140,771
NET ASSETS		10,037,056	3,689,863
Unit holders' funds (As per statement attached)		10,037,056	3,689,863
CONTINGENCIES AND COMMITMENTS	6		
		Number of units	
NUMBER OF UNITS IN ISSUE		1,046,947,577	384,883,483
		Rupees	
NET ASSET VALUE PER UNIT		9.5870	9.5870

The annexed notes 1 to 15 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

Note	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in '000)				
INCOME				
	38,174	21,793	30,568	6,593
Income from sukuk bonds	88,129	-	26,220	-
Income from term deposit	548,398	244,326	238,579	118,137
Profit on bank deposits	-	184	-	-
Income from commercial paper	84,540	36,081	45,346	13,252
Income on certificates of musharakah	759,241	302,384	340,713	137,982
Total Income				
EXPENSES				
	43,341	22,350	12,614	10,258
Remuneration of NBP Fund Management Limited - the Management Company	5,634	2,905	1,639	1,333
Sindh Sales Tax on remuneration of the Management Company	2,739	1,466	1,201	640
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	356	191	156	84
Sindh Sales Tax on remuneration of the Trustee	3,391	2,483	315	1,106
Reimbursement of operational expenses to the Management Company	15,066	16,614	1,157	7,253
Reimbursement of selling and marketing expenses	2,739	391	1,201	171
Annual fee to the Securities and Exchange Commission of Pakistan	373	282	115	89
Settlement and bank charges	24	21	7	7
Annual listing fee	759	735	152	131
Auditors' remuneration	414	373	140	124
Fund Rating fee	36	46	5	25
Printing Charges	204	183	147	56
Legal and professional charges	432	227	145	73
Shariah advisor fee	75,508	48,267	18,994	21,350
Total Expenses				
Net income from operating activities	683,733	254,117	321,719	116,632
Taxation	-	-	-	-
Net income for the period after taxation	683,733	254,117	321,719	116,632
Allocation of net income for the period				
Net income for the period after taxation	683,733	254,117	321,719	116,632
Income already paid on units redeemed	(215,603)	(44,284)	(156,560)	(30,963)
	468,130	209,833	165,159	85,669
Accounting income available for distribution:				
- Relating to capital gain	-	-	-	-
- Excluding capital gain	468,130	209,833	165,159	85,669
	468,130	209,833	165,159	85,669

The annexed notes 1 to 15 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	------(Rupees in '000)-----			
Net income for the period after taxation	683,733	254,117	321,719	116,632
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	683,733	254,117	321,719	116,632

The annexed notes 1 to 15 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended					
	March 31, 2024			March 31, 2023		
	(Rupees in '000)					
Note	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at the beginning of the period	3,612,292	77,571	3,689,863	1,781,395	64,098	1,845,493
Issuance of 1,636,115,306 units (2023: 396,237,841 units)						
- Capital Value	15,685,438	-	15,685,438	3,784,507	-	3,784,507
- Element of income	625,104	-	625,104	226,612	-	226,612
Total proceeds on issuance of units	16,310,542	-	16,310,542	4,011,119	-	4,011,119
Redemption of 974,051,212 units (2023: 242,885,133 units)						
- Capital Value	(9,338,229)	-	(9,338,229)	(2,319,820)	-	(2,319,820)
- Element of loss	(173,129)	(215,603)	(388,732)	(103,244)	(44,284)	(147,528)
Total payments on redemption of units	(9,511,358)	(215,603)	(9,726,961)	(2,423,064)	(44,284)	(2,467,348)
Total comprehensive income for the period	-	683,733	683,733	-	254,117	254,117
Total distribution during the period	(451,991)	(468,130)	(920,121)	-	-	-
	(451,991)	215,603	(236,388)			
Net assets as at the end of the period	10,411,476	77,571	10,037,056	3,369,450	273,931	3,643,381
Undistributed income brought forward						
- Realised		77,571			64,098	
- Unrealised		-			-	
		<u>77,571</u>			<u>64,098</u>	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		468,130			209,833	
		<u>468,130</u>			<u>209,833</u>	
Distribution during the period		(468,130)			-	
Undistributed income carried forward		77,571			273,931	
Undistributed income carried forward						
- Realised		77,571			273,931	
- Unrealised		-			-	
		<u>77,571</u>			<u>273,931</u>	
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			<u>9.5870</u>			<u>9.5511</u>
Net assets value per unit at end of the period			<u>9.5870</u>			<u>10.5125</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended	
	March 31, 2024	March 31, 2023
------(Rupees in '000)-----		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	683,733	254,117
Adjustments		
Loss on sale of investments	-	-
	<u>683,733</u>	<u>254,117</u>
(Increase) / decrease in assets		
Investments	(2,397,174)	75,848
Profit receivable	(94,502)	(29,635)
Advances, deposits, prepayments and other receivables	(196)	(182)
	<u>(2,491,872)</u>	<u>46,031</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	(5,111)	25,998
Payable to the Trustee	257	114
Annual fee payable to Securities and Exchange Commission of Pakistan	(114)	(38)
Accrued expenses and other liabilities	(39,703)	(19,934)
	<u>(44,671)</u>	<u>6,140</u>
Net cash generated from operating activities	<u>(1,852,810)</u>	<u>306,288</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	15,858,551	4,011,119
Net payments on redemption of units	(9,786,354)	(2,453,971)
Distributions paid	(468,130)	-
Net cash generated / (used in) financing activities	<u>5,604,067</u>	<u>1,557,148</u>
Net increase in cash and cash equivalents during the period	<u>3,751,257</u>	<u>1,863,436</u>
Cash and cash equivalents at the beginning of the period	2,723,109	1,309,827
Cash and cash equivalents at the end of the period	<u><u>6,474,366</u></u>	<u><u>3,173,263</u></u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Savings Fund (the Fund) was established under a Trust Deed executed 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 August 17, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by 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 Fund is an open-ended mutual fund and classified as shariah compliant "income" scheme by the Management Company and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

Management Company has obtained approval of SECP, pursuant to which the category of the Fund was changed from shariah compliant aggressive fixed income scheme to 'shariah compliant income scheme' and the name of the Fund was 'NAFA Islamic Income Fund' with effect from March 14, 2017.

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trust Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 18, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The objective of the Fund is to provide preservation of capital and earn a reasonable rate of return by investing in Shariah compliant securities, having a good credit rating and liquidity.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' to the Management Company, dated June 22, 2023, and has assigned stability rating of 'AA-(f)' to the Fund.

Title of the assets of the Fund is held in the name of CDC as a trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at and for the period ended March 31, 2024.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

	(Un-audited) 31 March 2024	(Audited) 30 June 2023
	----Rupees in "000"----	
4 BANK BALANCES		
Current accounts	32,195	62,310
Saving accounts	<u>6,442,172</u>	<u>2,660,799</u>
	<u><u>6,474,366</u></u>	<u><u>2,723,109</u></u>

- 4.1 These savings accounts have an expected profit at rates ranging from 11.01% to 21.75% per annum (2023: 6.50% to 18.10% per annum). Balance maintained with related parties i.e. National Bank of Pakistan amount to Rs. 5.94 Million (2023: Rs. 1.83 Million) respectively.

		(Un-audited) 31 March 2024	(Audited) 30 June 2023
5 INVESTMENTS			
		----Rupees in "000"----	
Sukuks	5.2	1,042,000	150,000
Certificates of musharakah	5.3	1,092,110	311,936
Term deposit receipt	5.4	1,300,000	575,000
		<u>3,434,110</u>	<u>1,036,936</u>

5.1 Non-performing Sukuks classified at fair value through profit or loss

Name of the investee company	Number of certificates				Market value as at 31 March 2024	Investment as % of	
	As at 1 July 2023	Purchases during the period	Sales during the period	As at 31 March 2024		Market value of net assets	Market value of total investments
					(Rupees in '000)	----- (%) -----	
New Allied Limited-1st issue (note 5.1.1)	352,000	-	-	352,000	-	-	-
New Allied Limited-2nd issue (note 5.1.1)	1,000	-	-	1,000	-	-	-
	<u>353,000</u>	<u>-</u>	<u>-</u>	<u>353,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Carrying value of investments as at 31 March 2024

114,905

Accumulated impairment

114,905

5.1.1 These represent investment in privately placed sukuks with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since January 9, 2009. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

5.2 Sukuks Certificate - At fair value through profit or loss

Name of the investee company	Number of bonds				Market value as at 31 March 2024	Investment as % of	
	As at 1 July 2023	Purchases during the period	Sales / Matured during the period	As at 31 March 2024		Market value of net assets	Market value of total investments
					(Rupees in '000)	----- (%) -----	
All sukuks have a face value of Rs. 100,000 each							
K-Electric (STS-10)	150	-	150	-	-	-	-
K-Electric (STS-22)	-	600	-	600	600,000	5.98	17.47
Lucky Electric Power Co. (STS-17)	-	442	-	442	442,000	4.40	12.87
					<u>1,042,000</u>	<u>10.38</u>	<u>30.34</u>

Carrying value of investments as at 31 March 2024

1,042,000

5.3 Certificate of Musharaka

Name of the Investee Company	Rating of Investee Company	Maturity date	Profit rate	As at July 1, 2023	Placed during the period	Matured during the period	Market value as at March 31, 2023	Percentage in relation to				
								Total market value of investment	Net assets of the Fund			
			%	----- (Rupees in '000) -----			----- % -----					
MODARABA												
First Habib Modaraba	AA+, PACRA	22-Nov-23	22.25%	-	328,577	328,577	-	-	-			
First Habib Modaraba	AA+, PACRA	2-Feb-24	22.25%	-	348,407	348,407	-	-	-			
First Habib Modaraba	AA+, PACRA	20-Mar-24	21.85%	-	260,000	260,000	-	-	-			
First Habib Modaraba	AA+, PACRA	2-May-24	21.50%	-	367,946	-	367,946	10.71	3.67			
First Habib Modaraba	AA+, PACRA	2-May-24	21.50%	-	300,000	-	300,000	8.74	2.99			
First Habib Modaraba	AA+, PACRA	20-Jun-24	21.80%	-	274,164	-	274,164	7.98	2.73			
First Habib Modaraba	AA+, PACRA	20-Jun-24	21.80%	-	150,000	-	150,000	4.37	1.49			
							-	2,029,094	936,984	1,092,110	31.80	10.88
Total as at March 31, 2024									<u>1,092,110</u>			

5.4 Term deposit receipts

Name of the Investee Company	Rating of Investee Company	Maturity date	Profit rate	As at July 1, 2023	Placed during the period	Matured during the period	Market value as at March 31, 2023	Percentage in relation to				
								Total market value of investment	Net assets of the Fund			
			%	----- (Rupees in '000) -----			----- % -----					
Faysal Bank Ltd		17-Aug-23	21.30%	-	575,000	575,000	-	-	-			
Faysal Bank Ltd		18-Sep-23	21.30%	-	575,000	575,000	-	-	-			
Faysal Bank Ltd		18-Oct-23	21.30%	-	575,000	575,000	-	-	-			
Faysal Bank Ltd		20-Nov-23	21.35%	-	575,000	575,000	-	-	-			
Faysal Bank Ltd		20-Dec-23	21.35%	-	575,000	575,000	-	-	-			
Faysal Bank Ltd		22-Jan-24	21.45%	-	620,000	620,000	-	-	-			
Faysal Bank Ltd		22-Feb-24	21.30%	-	620,000	620,000	-	-	-			
Faysal Bank Ltd		7-Mar-24	21.30%	-	620,000	620,000	-	-	-			
Faysal Bank Ltd		29-Apr-24	21.40%	-	1,300,000	-	1,300,000	37.86	12.95			
							-	6,035,000	4,735,000	1,300,000	37.86	12.95
Total as at March 31, 2024									<u>1,300,000</u>			

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024 and June 30, 2023.

7 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. However, the Management Company has not charged selling and marketing expenses w.e.f January 19, 2024.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders.

Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

9 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 2.07% including 0.24% (2023: 2.47% including 0.18%) representing government levies on collective investment scheme such as Sales tax and Securities and Exchange Commission of Pakistan fee for the period. However, as per SECP SRO 639 (I)/2019 date 20 June, 2019, total expense ratio has been limited to 2.5% for Shariah Compliant Income Fund.

10 INTERIM DISTRIBUTION

During the period, the Management Company on behalf of the Fund, has started distributing daily dividend from February 29, 2024 from the total profit earned during the period amounting to Rs 1.394 million as dividend and the same has been re-invested.

Payout Date	Payout Per Unit Rupees	Payout Date	Payout Per Unit Rupees	Payout Date	Payout Per Unit Rupees	Payout Date	Payout Per Unit Rupees	Payout Date	Payout Per Unit Rupees
February 29, 2024	1.2239	March 7, 2024	0.0053	March 14, 2024	0.0053	March 21, 2024	0.0053	March 28, 2024	0.0053
March 1, 2024	0.0111	March 8, 2024	0.0053	March 15, 2024	0.0053	March 22, 2024	0.0053	March 29, 2024	0.0053
March 2, 2024	0.0053	March 9, 2024	0.0053	March 16, 2024	0.0053	March 23, 2024	0.0053	March 30, 2024	0.0053
March 3, 2024	0.0053	March 10, 2024	0.0053	March 17, 2024	0.0053	March 24, 2024	0.0053	March 31, 2024	0.0053
March 4, 2024	0.0053	March 11, 2024	0.0053	March 18, 2024	0.0053	March 25, 2024	0.0053		
March 5, 2024	0.0053	March 12, 2024	0.0053	March 19, 2024	0.0053	March 26, 2024	0.0053		
March 6, 2024	0.0053	March 13, 2024	0.0053	March 20, 2024	0.0053	March 27, 2024	0.0053		

11 DETAILS OF NON-COMPLIANT INVESTMENTS

The Securities and Exchange Commission of Pakistan (SECP) vide Circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to categorize funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Shariah Compliant income scheme'.

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

The following are the details of non-compliant investments:

Names of non-compliant investment	Non-compliance of clause	Type of Investment	Value of investment before provision	Provision held	Value of investment after provision	% of net assets	% of gross assets
New Allied Electronics - Sukuk I	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular no. 7 of 2009	Sukuk	110,000	(110,000)	-	-	-
New Allied Electronics - Sukuk II		Sukuk	4,905	(4,905)	-	-	-

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

12 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

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

12.2 The transactions with connected persons and related parties are carried out at agreed terms.

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

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

12.5 Details of the transactions with connected persons during the period are as follows:

	Unaudited	
	Nine months period ended	
	March 31, 2024	March 31, 2023
	------(Rupees in '000)-----	
NBP Fund Management Limited Management Company		
Management fee expense for the period	43,341	22,350
Front end load for the period	38,753	21,294
Sindh Sales tax on management fee	5,634	2,905
Allocation of operational expenses from the Management Company	3,391	2,483
Reimbursement Selling and marketing expense	15,066	16,614
Units Issued / Transferred in 3,448,052 units (2023: 695,836 Units)	33,944	7,125
Units Redeemed / Transferred Out 4,202,108 units (2023: 582,816 Units)	42,289	5,949
Dividend Re-invest Units Issued (26,524)	252	-
ADC Charges and Sindh sales Tax on ADC Charges	1,971	364
Central Depository Company of Pakistan- Trustee		
Trustee fee for the period	2,739	1,466
Sindh Sales tax on remuneration of Trustee	356	191
Employees of Management Company		
Units issued 4,551,311 units (2023: 1,838,260 units)	45,618	18,581
Units redeemed 3,471,501 units (2023: 1,650,196 units)	35,567	16,775
Dividend Re-invest Units Issued (85,636)	821	-
Dr AMJAD WAHEED - CHEIF EXECUTIVE - CEO		
Units issued Nil units (2022: Nil units)	-	50
Dividend Re-invest Units Issued (59)	1	-

	Unaudited	
	Nine months period ended	
	March 31, 2024	March 31, 2023
	------(Rupees in '000)-----	
Portfolio Managed by NBP Funds		
Units issued 7,001,842 units (2023: Nil units)	67,074	-
Units redeemed 7,010,394 units (2023: Nil units)	67,521	-
Dividend Re-invest Units Issued (61,275)	587	-
Bank Islami Pakistan Limited (Common Directorship with Management Co.)		
Profit on Savings account	-	31,788
Profit on Term deposit receipt	-	-
Placement of Term deposit receipt	-	-
K-Electric limited (Common directship)		
Certificate of Sukuk	600,000	330,000
Income on Sukuk	36,587	21,793
Lucky Electric Power Company Limited (Common directship)		
Certificate of Sukuk	442,000	-
Income on Sukuk	1,588	-
National Bank of Pakistan - Parent of the Management Company		
Profit on Savings account	295	-
	(Un-Audited)	(Audited)
	As at	As at 30
	31 March	June
	2024	2023
12.6 Amounts outstanding as at period end	Rupees in '000	
NBP Fund Management Limited Management Company		
Remuneration of the Management Company	4,108	4,711
Sindh sales tax payable on Remuneration of the Management Company	534	612
Operational expenses	316	1,433
Sales load	4,428	2,474
Sindh sales tax and Federal Excise Duty on sales load	1,196	942
Reimbursement Selling and marketing expense	1,158	8,101
ADC Charges and Sindh sales Tax on ADC Charges	2,072	650
Investment held in the Fund 271,537 units (June, 2023 : 999,321 units)	2,603	9,580
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	467	240
Sindh Sales Tax on remuneration of Trustee	61	31
Security deposits	100	100
Settlement charges	57	36
National Bank of Pakistan - Sponsor		
Balance in savings accounts	5,943	28,077
Profit receiveable	3	11

	(Un-Audited) As at 31 March 2024	(Audited) As at 30 June 2023
	Rupees in '000	
Employees of Management Company		
Investment held in the Fund 1,873,490 units (June, 2023 : 700,758 units)	17,961	6,719
Dr AMJAD WAHEED - CHEIF EXECUTIVE - CEO		
Investment held in the Fund 534 units (June, 2023 : 474 units)	5	5
K-Electric limited (Common directship)		
Certificate of Sukuk	600,000	150,000
Receivable on Sukuk	28,981	9,406
Lucky Electric Power Company Limited (Common directship)		
Certificate of Sukuk	442,000	-
Receivable on Sukuk	1,588	-

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

13.1 Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 25, 2024.

15 GENERAL

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

15.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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