

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگز

NBP Fund Management Limited



NBP ISLAMIC INCOME 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."

Contents

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

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

Bank Islami Pakistan Limited
United Bank Limited (Islamic)
Dubai Islamic Bank Pakistan Limited
Meezan Bank Limited
Silk Bank Limited (Emaan Islamic)
AlBaraka Bank (Pakistan) Limited
National Bank of Pakistan (Islamic Banking)
Habib Bank Limited (Islamic)
MCB Bank Limited
Bank Alfalah Limited (Islamic)
Habib Metropolitan Bank Limited
Soneri Bank Limited
JS Bank Limited
Faysal Bank Limited

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 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

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

DIRECTORS' REPORT

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

Fund's Performance

The market witnessed issuance of a decent size of corporate sukuks to meet the increasing funding need for fixed capital investments and working capital, respectively. In the secondary market, the trading activity in corporate sukuks declined with traded value of around Rs. 3.6 billion compared to Rs. 4.9 billion, during the same period last year. Throughout the first nine months of fiscal year 2024, the State Bank of Pakistan (SBP) convened six Monetary Policy Committee (MPC) meetings, maintaining the policy rate at 22%. This decision was made in light of a recent decrease in inflation, although the committee remained cautious due to persisting risks and challenges. Despite some improvements in the inflation outlook, which remains elevated, 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.

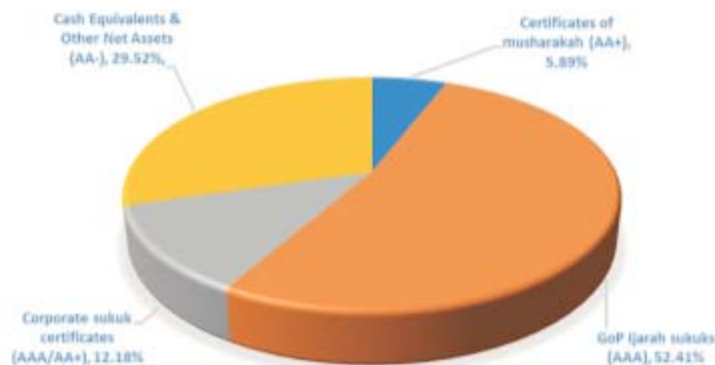
The MPC considered various factors, including an improved agricultural outlook, fluctuations in global oil prices, and ongoing efforts toward fiscal consolidation. However, the economic situation continues to face challenges due to lack of fiscal discipline. Additionally, escalating geopolitical tensions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

As of March 29, 2024, the net liquid foreign exchange reserves held with the SBP stood at approximately USD 8.04 billion.

NBP-IIF is categorized as a Shariah Compliant Income Fund and has been awarded stability rating of 'A+ (f)' by PACRA. The fund aims to provide competitive returns by investing in Shariah compliant debt securities and money market instruments. The Fund is allowed to invest with Islamic Banks, Islamic branches / windows of conventional banks providing easy liquidity, and in Shariah Compliant Money Market instruments & debt securities rated A or better. The Fund is not authorized to invest in Equities. The weighted average time to maturity of the Fund cannot exceed 4 years excluding government securities.

The size of NBP Islamic Income Fund has increased from Rs. 5,158 million to Rs. 7,179 million during the period (an increase of 39.2%). During the period, the unit price of the Fund has increased from Rs. 10.0959 on June 30, 2023 to Rs. 11.6616 on March 31, 2024, thus showing return of 20.6% 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 909.219 million during the period. After deducting total expenses of Rs 85.367 million, the net income is Rs. 823.852 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NBP-IIF.



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 انکم فنڈ (NBP-IIF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مارکیٹ نے بالترتیب فکسڈ انکم، انویسٹمنٹ اور ورکنگ کپینٹل کی بڑھتی ہوئی فنڈنگ کی ضرورت کو پورا کرنے کے لیے کارپوریٹ سکوک کے معقول سائز کا اجراء دیکھا۔ ثانوی مارکیٹ میں، کارپوریٹ سکوک میں تجارتی سرگرمی کم رہی، جس نے پچھلے سال کی اسی مدت میں 4.9 بلین روپے کے برعکس 3.6 بلین روپے کی مجموعی تجارتی قیمت ریکارڈ کی ہے۔ 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۔ یہ فیصلہ افراط زر میں حالیہ کمی کی روشنی میں کیا گیا تھا، اگرچہ کمیٹی درپیش خطرات اور مشکلات کے باعث محتاط رہی۔ افراط زر کے نقطہ نظر میں کچھ بہتری کے باوجود، جو زیادہ رہی، مانیٹری پالیسی کے لیے ایک محتاط اپروچ کی ضرورت پر زور دیا گیا، خاص طور پر زیر انتظام توانائی کی قیمتوں میں اہم اینڈ جسٹمنٹ 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۔

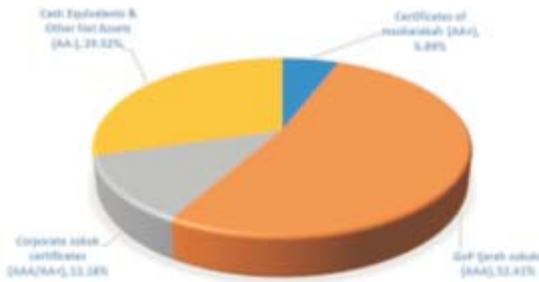
29 مارچ 2024 تک اسٹیٹ بینک پاکستان کے ہاں موجود خالص لیکویڈیز رمبرادل کے ذخائر تقریباً 8.04 بلین امریکی ڈالر تھے۔

NBP-IIF کی درجہ بندی بطور شریعہ مکمل فنڈ کی گئی ہے اور اسے PACRA کی طرف سے 'A+' کی مستحکم ریٹنگ عطا کی گئی۔ اس فنڈ کا مقصد شریعت کے مطابق ڈیٹ سیکورٹیز اور مٹی مارکیٹ کے آلات میں سرمایہ کاری کر کے مسابقتی منافع فراہم کرنا ہے۔ فنڈ اسلامک بینکوں، روایتی بینکوں کی اسلامک برانچوں اور فنڈز میں آسانی سے لیکویڈیزٹی فراہم کرنے والے A یا بالا درجہ کے اسلامی بینکوں کے ساتھ سرمایہ کاری کی اجازت دیتا ہے۔ فنڈ کو شریعت کے مطابق A یا اس سے بالا درجہ بندی کے مٹی مارکیٹ کے آلات اور ڈیٹ سیکورٹیز میں سرمایہ کاری کرنے کی اجازت ہے۔ فنڈ ایکویٹی میں سرمایہ کاری کرنے کا مجاز نہیں ہے۔ گورنمنٹ سیکورٹیز کے علاوہ فنڈ کی میچورٹی کی اوسط مدت 4 سال سے زیادہ نہیں ہو سکتی ہے۔

NBP اسلامک انکم فنڈ کا سائز 5,158 بلین روپے سے بڑھ کر اسی مدت کے دوران 7,179 بلین روپے ہو گیا (یعنی 39.2% کا اضافہ ہوا) ہے۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 10.0659 روپے سے بڑھ کر 31 مارچ 2024 کو 11.6616 روپے ہو گئی۔ لہذا فنڈ نے اسی مدت میں بیچ مارک منافع 9.8% کے مقابلے میں 20.6% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو اس مدت کے دوران 909,219 بلین روپے کی مجموعی آمدنی ہوئی۔ 85,367 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 823,852 بلین روپے ہے۔

مندرجہ ذیل چارٹ NBP-IIF کی ایسٹیلیویشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





اظہار تشکر

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

ڈائریکٹر

چیف ایگزیکٹو آفیسر
تاریخ: 25 اپریل 2024ء
مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT March 31, 2024

	Note	Unaudited March 31, 2024	Audited June 30, 2023
-----Rupees in '000-----			
ASSETS			
Bank balances	4	1,821,533	2,659,793
Investments	5	5,060,020	2,555,572
Profit receivable		346,943	100,906
Prepayments, deposits and other receivables		213	443
Receivable against issuance of units		522	23,672
Preliminary expenses and floatation costs		520	329
Total assets		7,229,751	5,340,715
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		17,694	20,170
Payable to Central Depository Company of Pakistan Limited - Trustee		519	356
Payable to the Securities and Exchange Commission of Pakistan		459	1,418
Payable against redemption of units		11,749	73,434
Accrued expenses and other liabilities		19,851	87,776
Total liabilities		50,272	183,154
NET ASSETS		7,179,479	5,157,561
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		7,179,479	5,157,561
CONTINGENCIES AND COMMITMENTS	6		
Number of units			
NUMBER OF UNITS IN ISSUE		615,651,655	510,856,440
Rupees			
NET ASSET VALUE PER UNIT		11.6616	10.0959

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

Note	For the nine months period ended March 31, 2024	For the nine months period ended March 31, 2023	Quarter Ended March 31, 2024	Quarter Ended March 31, 2023
Rupees in '000				
INCOME				
	337,339	572,707	133,290	153,709
Profit on bank balances	58,386	39,771	-	26,758
Income on term deposit receipts	413,908	163,976	216,646	63,237
Income on sukuk certificates	95,007	81,007	22,492	29,217
Income on certificate of Musharika	-	6,669	-	-
Income on Islamic commercial papers	-	5,366	-	5,366
Income on Bai Maujjal contract	4,905	(15)	(125)	(50)
Gain / (loss) on sale of investment - net				
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	(326)	(13,272)	(15,592)	(9,353)
Total income	909,219	856,209	356,711	268,884
EXPENSES				
	50,782	49,971	20,680	15,849
Remuneration of NBP Fund Management Limited - Management Company	6,602	6,496	2,689	2,060
Sindh sales tax on remuneration of the Management Company	6,514	7,151	2,725	2,239
Reimbursement of Allocated expenses	12,594	9,056	5,268	3,161
Reimbursement of Selling and marketing expense	3,257	4,246	1,362	1,299
Remuneration of Central Depository Company of Pakistan Limited - Trustee	423	552	177	169
Sindh sales tax on remuneration of the Trustee	3,257	1,132	1,362	346
Annual fee of the Securities and Exchange Commission of Pakistan	117	117	39	39
Amortisation of preliminary expenses and floatation costs	388	431	64	98
Auditors' remuneration	113	128	38	42
Legal and professional charges	23	21	8	7
Listing fee	527	991	176	316
Shariah advisor fee	276	325	48	22
Settlement and bank charges	145	75	25	25
Printing expenses	190	12	123	10
Securities Transaction Cost	159	137	45	45
Rating fee	85,367	80,841	34,829	25,727
Total operating expenses	85,367	80,841	34,829	25,727
Net income from operating activities	823,852	775,368	321,882	243,157
Net income for the period before taxation	823,852	775,368	321,882	243,157
Taxation	-	-	-	-
Net income for the period after taxation	823,852	775,368	321,882	243,157
Allocation of net income for the period				
- Net income for the period after taxation	823,852	775,368		
- Income already paid on units redeemed	(186,281)	(322,046)		
	637,571	453,322		
Accounting income available for distribution:				
- Relating to capital gains	4,579	-		
- Excluding capital gains	632,992	453,322		
	637,571	453,322		

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	For the nine months period ended March 31, 2024	For the nine months period ended March 31, 2023	Quarter Ended March 31, 2024	Quarter Ended March 31, 2023
-----Rupees in '000'-----				
Net income for the period after taxation	823,852	775,368	321,882	243,157
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	823,852	775,368	321,882	243,157

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	For the nine months period ended March 31, 2024			For the nine months period ended March 31, 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	5,110,294	47,267	5,157,561	7,513,947	19,263	7,533,210
Issuance of 558,610,563 units (2023: 750,137,783 units)						
- Capital value	5,639,678	-	5,639,678	7,530,183	-	7,530,183
- Element of income	506,006	-	506,006	304,927	-	304,927
Total proceeds on issuance of units	6,145,684	-	6,145,684	7,835,110	-	7,835,110
Redemption of 453,815,348 units (2023: 941,365,333 units)						
- Capital value	(4,581,674)	-	(4,581,674)	(9,449,802)	-	(9,449,802)
- Element of loss	(179,663)	(186,281)	(365,944)	(148,709)	(322,046)	(470,755)
Total payments on redemption of units	(4,761,337)	(186,281)	(4,947,618)	(9,598,511)	(322,046)	(9,920,557)
Total comprehensive income for the period	-	823,852	823,852	-	775,368	775,368
Net assets at end of the period	6,494,641	684,838	7,179,479	5,750,546	472,585	6,223,130
Undistributed income brought forward						
- Realised income		64,360			1,013	
- Unrealised (loss) / income		(17,093)			18,250	
		47,267			19,263	
Accounting income available for distribution:						
- Relating to capital gains		4,579			-	
- Excluding capital gains		632,992			453,322	
		637,571			453,322	
Undistributed income carried forward		684,838			472,585	
Undistributed income carried forward:						
- Realised income		685,164			485,857	
- Unrealised (loss)		(326)			(13,272)	
		684,838			472,585	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>10.0959</u>			<u>10.0384</u>
Net asset value per unit at the end of the period			<u>11.6616</u>			<u>11.1283</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	For the nine months period ended March 31, 2024	For the nine months period ended March 31, 2023
	Rupees in '000	Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	823,852	775,368
Adjustments		
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	326	13,272
Amortisation of preliminary expenses and floatation costs	117	117
	443	13,389
(Increase) in assets		
Investments	(2,504,774)	(674,413)
Profit receivable	(246,037)	(98,454)
Prepayment, deposit and other receivable	230	(77)
Preliminary expenses and floatation costs	(308)	56,844
	(2,750,889)	(716,100)
(Decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	(2,476)	2,989
Payable to Central Depository Company of Pakistan Limited - Trustee	163	(3)
Payable to the Securities and Exchange Commission of Pakistan	(959)	142
Payable against purchase of investments	-	-
Accrued expenses and other liabilities	(67,925)	(18,903)
	(71,197)	(15,775)
Net cash flows (used in) / generated from operating activities	(1,997,791)	56,883
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	6,168,834	7,834,480
Amount paid against redemption of units	(5,009,303)	(9,954,491)
Net cash flows generated from / (used in) financing activities	1,159,531	(2,120,012)
Net increase in cash and cash equivalents during the period	(838,260)	(2,063,129)
Cash and cash equivalents at the beginning of the period	2,659,793	5,471,730
Cash and cash equivalents at the end of the period	1,821,533	3,408,601

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and 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 March 9, 2020.

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on October 15, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open end Shariah compliant income 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 at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from August 13, 2020 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to provide competitive returns by investing in Shariah compliant debt securities and money market instruments.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (June 30, 2023: AM1) on June 22, 2023. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at A+(f) (June 30, 2023: A+(f) on April 14, 2023) dated October 13, 2023.

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.

2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 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 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 IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of the financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the period ended June 30, 2023.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 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

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

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

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
4 BANK BALANCES	Note	----- Rupees in '000 -----	
Balances with banks in:			
Current accounts	4.1	18,334	93,194
Savings accounts	4.1	<u>1,803,199</u>	<u>2,566,599</u>
		<u><u>1,821,533</u></u>	<u><u>2,659,793</u></u>

- 4.1 These include balances of Rs 3.432 million (June 30, 2023: Rs 9.476 million) maintained with National Bank of Pakistan (related party) that carry profit at the rate of 12.00% (June 30, 2023: 18.00%) per annum. Other savings accounts of the Fund carry profit at the rate ranging from 11.01% to 21.75% (June 30, 2023: 10.00% to 20.25%) per annum.

5	INVESTMENTS	Note	(Un-audited)	(Audited)
			March 31, 2024	June 30, 2023
			----- Rupees in '000 -----	
At fair value through profit or loss				
	GoP Ijarah sukuku	5.1	3,762,864	377,402
	Corporate sukuk certificates	5.2	874,583	395,290
	Term deposit receipts		-	1,150,000
	Certificates of musharakah	5.3	422,573	632,880
			5,060,020	2,555,572

5.1 GoP Ijarah sukuku

Name of the securities	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Sold during the period	As at March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised diminution	Market value as a percentage of	
											total investments of the Fund	net assets of the Fund
				----- Number of certificates -----				----- (Rupees in '000) -----				----- % -----
GoP Ijarah sukuk GIS - VRR - XIX (Face value of Rs. 100,000 per certificate)	Semi - Annually	May 29, 2025	Weighted average 6 months T-Bills	1,000	-	-	1,000	99,358	99,470	112	1.97%	1.39%
GoP Ijarah sukuk GIS - VRR - XXV (Face value of Rs. 100,000 per certificate)	Semi - Annually	April 27, 2027	Weighted average 6 months T-Bills	38	-	-	38	3,777	3,857	80	0.08%	0.05%
GoP Ijarah sukuk GIS - VRR - XXVI (Face value of Rs. 100,000 per certificate)	Semi - Annually	October 26, 2027	Weighted average 6 months T-Bills	2,750	-	-	2,750	274,267	278,328	4,061	5.50%	3.88%
GoP Ijarah sukuk GIS - VRR - XXXVII (Face value of Rs. 100,000 per certificate)	Semi - Annually	August 7, 2024	Weighted average 6 months T-Bills	-	7,450	2,000	5,450	548,100	545,109	(2,991)	10.77%	7.59%
GoP Ijarah sukuk GIS - VRR - XXXIX (Face value of Rs. 100,000 per certificate)	Semi - Annually	October 9, 2024	Weighted average 6 months T-Bills	-	7,550	-	7,550	755,864	757,945	2,081	14.98%	10.56%
GoP Ijarah sukuk GIS - VRR - XL (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 4, 2024	Weighted average 6 months T-Bills	-	250	-	250	25,000	25,000	-	0.49%	0.35%
GoP Ijarah sukuk GIS - VRR - XLI (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 4, 2026	Weighted average 6 months T-Bills	-	750	-	750	75,000	74,723	(277)	1.48%	1.04%
GoP Ijarah sukuk GIS - VRR - XLII (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 4, 2028	Weighted average 6 months T-Bills	-	1,000	-	1,000	100,000	100,070	70	1.98%	1.39%
GoP Ijarah sukuk GIS - FRR - XXXIII (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 4, 2026	16.19%	-	1,500	-	1,500	150,000	150,300	300	2.97%	2.09%

Name of the securities	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Sold during the period	As at March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised diminution	Market value as a percentage of	
				Number of certificates	Rupees in '000		total investments of the Fund	net assets of the Fund				
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	December 9, 2024	19.52%	-	165,031	-	165,031	731,407	733,891	2,484	14.50%	10.22%
GoP Ijarah sukuk GIS - VRR - XXXII (Face value of Rs. 100,000 per certificate)	Semi - Annually	June 26, 2024	Weighted average 6 months T-Bills	-	2,000	-	2,000	200,500	200,040	(460)	3.95%	2.79%
GoP Ijarah sukuk GIS - FRR - XXXII (Face value of Rs. 100,000 per certificate)	Semi - Annually	October 9, 2024	22.49%	-	4,400	-	4,400	445,700	443,256	(2,444)	8.76%	6.17%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Semi - Annually	January 24, 2027	Weighted average 6 months T-Bills	-	35,000	-	35,000	175,000	175,875	875	3.48%	2.45%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Semi - Annually	January 24, 2029	Weighted average 6 months T-Bills	-	35,000	-	35,000	175,000	175,000	-	3.46%	2.44%
Total as at March 31, 2024 (un-audited)								3,758,973	3,762,864	3,891	74.36%	52.41%
Total as at June 30, 2023 (audited)								378,814	377,402	(1,412)		

5.2 Corporate sukuk certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2023	Purchases during the period	Sold / redeemed during the period	As at March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised (diminution) / appreciation	Market value as a percentage of	
				Number of certificates	Rupees in '000		total investments of the Fund	net assets of the Fund				
Hub Power Holdings Limited (Non-traded) (Face value of Rs 100,000 per certificate)	Semi-Annually	November 12, 2025	6 months KIBOR plus base rate of 2.50%	700	-	-	700	71,841	71,387	(454)	1.41%	0.99%
Engro Powergen Thar (Private) Limited (Non-traded) (Face value of Rs 2,500 per certificate)	Quarterly	August 2, 2024	3 months KIBOR plus base rate of 1.70%	60,000	-	-	60,000	153,880	150,317	(3,563)	2.97%	2.09%
Pakistan Energy Sukuk-II - Listed (Face value of Rs 5,000 per certificate)	Semi-annually	May 21, 2030	6 months KIBOR minus base rate of 0.10%	-	30,000	-	30,000	150,180	150,180	-	2.97%	2.09%
K-Electric Limited - Sukuk V (Traded) (Face value of 3,500 per certificate)	Quarterly	August 3, 2027	3 months KIBOR plus base rate of 1.7%	11,990	-	-	11,990	42,899	42,699	(200)	0.84%	0.59%
K-Electric Limited - Short term sukuk STS-22 (Face value of Rs. 1,000,000 per certificate)	Semi-annually	April 05, 2023	6 months KIBOR plus base rate of 0.15%	-	460	-	460	460,000	460,000	-	9.09%	6.41%
Total as at March 31, 2024 (un-audited)								878,800	874,583	(4,217)	17.28%	12.18%
Total as at June 30, 2023 (audited)								410,971	395,290	(15,681)		

5.3 Certificates of musharakah

Name of investee company	Maturity date	Profit rate	Face Value				Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised appreciation	Market value as a percentage of	
			As at July 1, 2023	Placed during the period	Matured during the period	As at March 31, 2024				total investments of the Fund	net assets of the Fund
NON-BANK ISLAMIC FINANCIAL INSTITUTIONS											
First Habib Modaraba	May 2, 2024	21.50%	-	422,573	-	422,573	422,573	422,573	-	8.35%	5.89%
Total as at March 31, 2024 (un-audited)							422,573	422,573	-	8.35%	5.89%
Total as at June 30, 2023 (audited)							632,880	632,880	-		

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. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.29% per annum of the net assets of the Fund.

8 TAXATION

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

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

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.96% (March 31, 2023: 1.43%) which includes 0.23% (March 31, 2023: 0.15%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Compliant Income" scheme.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

- 10.2** Transactions with connected persons / related parties are executed on an arm's length and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 10.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 10.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 10.6** Details of transactions with related parties / connected persons during the period are as follows:

	For the nine months period ended March 31, 2024	For the nine months period ended March 31, 2023
	Rupees in '000'	
NBP Fund Management Limited - Management Company		
Remuneration of NBP Fund Management Limited - Management Company	50,782	49,971
Sindh sales tax on remuneration of the Management Company	6,602	6,496
Reimbursement of allocated expenses	6,514	7,151
Reimbursement of selling and marketing expenses	12,594	9,056
Preliminary expenses and floatation costs borne by the Management Company	117	117
Sales and transfer load and Sindh Sales Tax on sales load	9,964	15,390
ADC charges including Sindh sales tax	1,143	931
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	3,257	4,246
Sindh sales tax on remuneration of the Trustee	423	552
Settlement Charges	14	143
Employees of NBP Fund Management Limited		
Units issued: 12,038,187 units (2023: 16,253,603 units)	131,182	170,484
Units redeemed: 10,568,888 units (2023: 18,815,177 units)	115,927	197,188
Portfolio Managed by Management Company		
Units issued - 35,900,824 units (2023: 12,501,742 units)	395,524	132,504
Units redeemed - 43,716,743 units (2023: 37,218,145 units)	465,108	392,454
K-Electric Limited - common directorship		
Purchase of sukuk certificates	610,000	1,639,379
Sale of sukuk certificates	-	900,182
Profit on sukuk certificates	48,030	86,742
NAFA Islamic Active Allocation Plan - I		
Units issued: Nil units (2023: 592,934 units)	-	6,296
Units redeemed - Nil units (2023: 454,014 units)	-	4,735

For the nine months period ended March 31, 2024	For the nine months period ended March 31, 2023
---	---

Rupees in '000'

NAFA Islamic Active Allocation Plan - II

Units issued: Nil units (2023: 626,904 units)	-	6,650
Units redeemed - Nil units (2023: 386,344 units)	-	4,010

NAFA Islamic Active Allocation Plan - III

Units issued: Nil units (2023: 3,928,194 units)	-	41,820
Units redeemed - Nil units (2023: 2,780,019 units)	-	29,824

NAFA Islamic Active Allocation Plan - IV

Units issued: Nil units units (2023: 4,374,818 units)	-	46,480
Units redeemed - Nil units (2023: 5,774,358 units)	-	61,800

NAFA Islamic Active Allocation Plan - V

Units issued: Nil units (2023: 1,727,818 units)	-	18,336
Units redeemed - Nil units (2023: 894,634 units)	-	9,477

NAFA Islamic Active Allocation Plan - VI

Units issued: Nil units (2023: 437,573 units)	-	4,671
Units redeemed - Nil units (2023: 284,078 units)	-	3,057

NAFA Islamic Active Allocation Plan - VII

Units issued: Nil units (2023: 906,872 units)	-	9,648
Units redeemed - Nil units (2023: 436,329)	-	4,566

NAFA Islamic Active Allocation Plan - VIII

Units issued: Nil units (2023: 1,809,646 units)	-	19,295
Units redeemed - Nil units (2023: 1,813,808 units)	-	19,468

BankIslami Pakistan Limited - common directorship *

Profit on bank balances	-	24,946
-------------------------	---	--------

National Bank of Pakistan - Parent of the Management Company

Profit on bank balances	491	-
-------------------------	-----	---

Khalid Mehmood - Chief Financial Officer of Management Company

Units issued: Nil units (2023: 95,700 units)	-	1,000
Units redeemed: Nil units (2023: 98,810 units)	-	1,036

10.7 Amounts / balances outstanding as at period end are as follows

As at March 31, 2024	As at June 30, 2023
----------------------------	---------------------------

Rupees in '000'

NBP Fund Management Limited - the Management Company

Remuneration payable to the Management Company	6,897	4,954
Sindh sales tax payable on remuneration of the Management Company	897	644
Reimbursement of allocated expenses payable	2,725	2,145
Reimbursement of selling and marketing expenses payable	5,268	4,147
Sales and transfer load payable	640	6,878
Sindh sales tax on sales load payable	75	886
ADC charges payable including Sindh sales tax	1,039	363
Other payable to the Management Company	153	153

Central Depository Company of Pakistan Limited - the Trustee

Remuneration payable to the Trustee	459	315
Sindh sales tax payable on remuneration of the Trustee	60	41
Settlement charges payable	146	141
Security deposit	100	100

Employees of Management Company

Units held: 10,880,944 units (June 30, 2023: 9,411,545 units)	126,889	95,018
---	---------	--------

Portfolio managed by the Management Company

Units held in the Fund: 22,144,945 units (June 30, 2023: 27,708,399 units)	258,245	298,342
--	---------	---------

National Bank of Pakistan - Parent of the Management Company

Bank balances	3,432	9,476
Profit receivable on bank balances	119	-

K-Electric Limited - common directorship

Corporate sukuk certificates held	502,699	51,891
Profit receivable on corporate sukuk certificates	23,745	1,956

Khalid Mehmood - Chief Financial Officer of Management Company

Units held: 2,803 units (June 30, 2023: 2,803 units)	33	28
--	----	----

* Current period figures have not been presented as the person was not a related party / connected person of the Fund as at March 31, 2024.

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

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).

12 GENERAL

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

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on April 25, 2024.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds