



NBP ISLAMIC ENERGY FUND

QUARTERLY REPORT
MARCH 31, 2022



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. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

Human Resource Committee

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

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	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

Allied Bank Limited
Bank Islami Pakistan Limited
Dubai Islami Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Summit Bank Limited
United Bank Limited



Auditors

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

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.nbp funds.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 Energy Fund (NIEF)** for the period ended March 31, 2022.

Fund's Performance

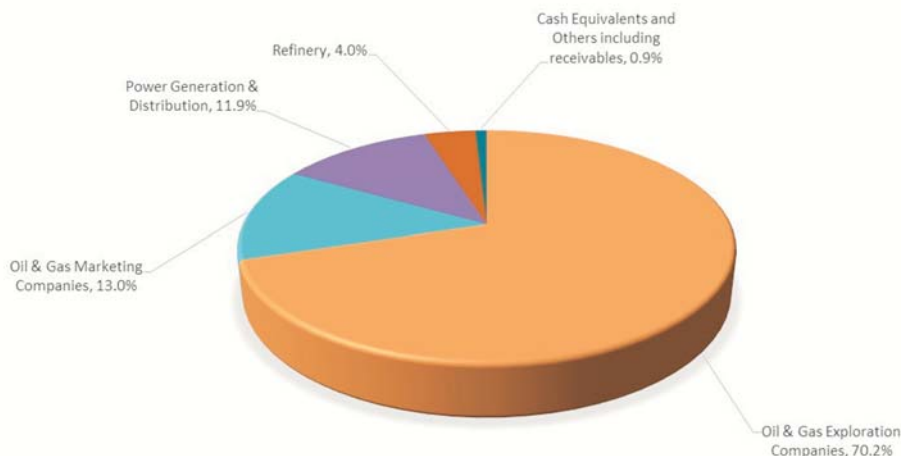
During 9MFY22, the benchmark KMI-30 index dropped by 3,707 points, translating into a decline of 4.8% during the period. The market remained quite jittery throughout the period, and amid thin volumes, traded within a range showing lack of investors' interest.

During the period under review, although the profitability of listed corporates rose sharply (cumulative profit during trailing four quarters increased by around 48% on a yearly basis), it did not translate into a commensurate market performance. Investors focused narrowly on the burgeoning current account deficit (CAD) which deteriorated significantly to USD 12.1 billion in 8MFY22, compared to a surplus of USD 1 billion during the comparative period last year. The external vulnerabilities re-emerged as aggregate domestic demand surged and the ongoing commodity super-cycle further exacerbated the external imbalances. The escalation in Russia Ukraine conflict and ensuing sanctions on the former further fueled global commodity prices that alarmed the investors which remained wary of its impact on domestic inflation. Monthly inflation reading also kept creeping up and average inflation stood at around 10.8% during the period under review. To compress both the external imbalances and the rampant inflation, the central bank resorted to monetary tightening during the period as Policy Rate was raised by a cumulative 2.75% in 9MFY22. For the same reason, PKR continued to depreciate and lost value by a significant 16% during the period. Though IMF program was resumed in 3Q, the inordinate delay in its resumption remained another reason for nervousness in the market. The downgrade of Pakistan from the MSCI Emerging Market to MSCI Frontier Market also took place during the period, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows during the period, which also dented the stock market performance. Lastly, the rising political noise further stoked uncertainty.

Looking at the sector wise performance of the market, Automobile Assemblers, Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Oil & Gas Exploration, Power Generation & Distribution, and Textile Composite sectors outperformed the market, while Auto Parts & Accessories, Cable & Elec. Goods, Cements, Engineering, Insurance, Oil & Gas Marketing, Paper & Board, Pharmaceuticals, Refinery, Technology & Communication, and Vanaspati sectors lagged the market. In terms of participant-wise activity, Individuals, Companies and Banks/DFIs remained the largest buyers during the period with net inflows of USD 82 million, USD 81 million and USD 72 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 271 million.

The size of NBP Islamic Energy Fund at the end of the period stood at Rs. 722 million, 17% lower than at June 30, 2021. During the period the unit price of NBP Islamic Energy Fund has decreased from Rs. 9.4868 on June 30, 2021 to Rs. 8.9269 on March 31, 2022, thus showing a decrease of 5.9%. The Benchmark (KMI-30 Index) decreased by 4.8%. Thus, During the period under review the Fund has underperformed its Benchmark by 1.1%. Since inception (April 21, 2016), the unit price of the Fund has shown an increase of 1.2% as compared to 23.7% increase in its Benchmark. Thus, the Fund has underperformed its Benchmark by 22.5%. This performance is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is a one-off event and shall not be repeated in the future.

NBP Islamic Energy Fund incurred a loss of Rs. 29.36 million during the period. After deducting total expenses of Rs. 26.62 million, the total loss is Rs. 55.98 million. The asset allocation of the Fund as on March 31, 2022 is as follows:



NIEF Performance versus Benchmark



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

Director

Date: **April 27, 2022**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2022ء کو ختم ہونے والی نو ماہی کے لئے NBP اسلامک انرجی فنڈ (NIEF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

9MFY22 کے دوران بینچ مارک KMI-30 انڈیکس میں 3,707 پوائنٹس کی کمی واقع ہوئی، جس کے نتیجے میں اس مدت کے دوران 4.8% کی کمی ہوئی۔ پوری مدت کے دوران مارکیٹ کافی دباؤ کا شکار رہی، اور کم حجم کے درمیان، سرمایہ کاروں کی عدم دلچسپی کی وجہ سے ایک حد کے اندر تجارت ہوئی۔

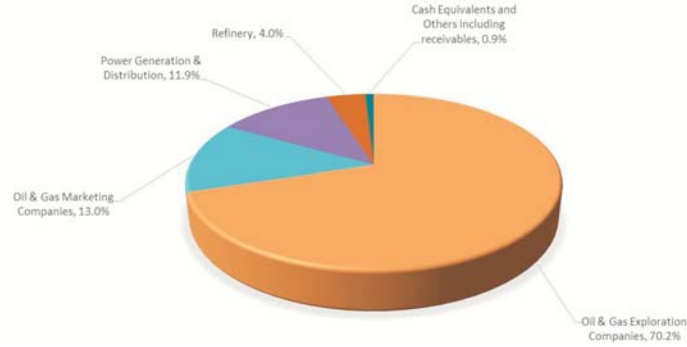
زیر جائزہ مدت کے دوران، اگرچہ لسٹڈ کارپوریشن کے منافع میں تیزی سے اضافہ ہوا (چھپیلی چار سہ ماہیوں کے دوران مجموعی منافع میں سالانہ بنیادوں پر تقریباً 48% فیصد اضافہ ہوا)، حالانکہ مارکیٹ کی کارکردگی اس سے ہم آہنگ نہ ہوئی۔ سرمایہ کاروں نے بڑھتے ہوئے کرٹ کاؤنٹ خسارے (CAD) پر توجہ مرکوز کی جو 9MFY22 میں نمایاں خرابی سے 12.1 بلین امریکی ڈالر ہو گیا، جو کہ گزشتہ سال کی تقابلی مدت کے دوران 1 بلین امریکی ڈالر کا سرپلس تھا۔ بیرونی کمزوریاں دوبارہ ابھریں کیونکہ مجموعی مقامی طلب میں اضافہ ہو گیا اور اجناس کے جاری سپر سائیکل نے بیرونی عدم توازن کو مزید بڑھا دیا۔ روس یوکرین میں بڑھتے ہوئے تنازعہ اور اس کے نتیجے میں پابندیوں نے عالمی اجناس کی قیمتوں میں مزید اضافہ کیا جس نے سرمایہ کاروں کو پریشان کر دیا جو مقامی افراط زر پر اس کے اثرات سے محتاط رہے۔ افراط زر کی مابہ شرح میں بھی اضافہ ہوتا رہا اور زیر جائزہ مدت کے دوران اوسط افراط زر تقریباً 10.8% فیصد رہا۔ بیرونی عدم توازن اور بڑھتے ہوئے افراط زر دونوں کو کم کرنے کے لیے، مرکزی بینک نے اس عرصے کے دوران سخت مالیاتی اقدامات کا سہارا لیا جیسا کہ 9MFY22 میں پالیسی ریٹ میں مجموعی طور پر 2.75% اضافہ کیا گیا۔ اسی وجہ سے، اس مدت کے دوران پاکستانی روپیہ کی قدر میں کمی جاری رہی اور قدر میں 16% کمی نمایاں کی واقع ہوئی۔ اگرچہ 3Q میں IMF پروگرام دوبارہ شروع کیا گیا، لیکن اس کے دوبارہ شروع ہونے میں غیر معمولی تاخیر مارکیٹ میں پریشانی کی ایک اور وجہ رہی۔ MSCI امریکن مارکیٹ سے MSCI فریٹائر مارکیٹ میں پاکستان کی تنزلی بھی اس عرصے کے دوران ہوئی، جس سے غیر ملکی سرمایہ کاروں کی جانب سے توازن قائم کرنے کی ضرورت پڑی جس کے نتیجے میں اس عرصے کے دوران غیر ملکی اخراج میں نمایاں اضافہ ہوا، جس نے اسٹاک مارکیٹ کی کارکردگی کو بھی نقصان پہنچایا۔ آخر میں بڑھتے ہوئے سیاسی شور نے مزید غیر یقینی صورتحال کو جنم دیا۔

مارکیٹ کی شعبہ جاتی کارکردگی کو دیکھتے ہوئے، آٹوموبائل اسمبلر، کیمیکلز، کمرشل بینکس، فریٹلائزرز، فوڈ اینڈ پراسسنگ، گلاس اینڈ سیرامکس، آئل اینڈ گیس ایکسپلوریشن، پاور جنریشن اینڈ ڈسٹری بیوٹن اور ٹیکسٹائل کمپوزٹ شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا، جبکہ آٹو پارٹس اور اسیسریز، کیبل اور الیکٹرونک سامان، سیمنٹ، انجینئرنگ، اسٹورنس، آئل اینڈ گیس مارکیٹنگ، پیپر اینڈ بورڈ، فارماسیوٹیکل، ریفرنسری، بیکنالوجی اور کیوٹیکیشن، اور ونا سٹی کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کی سرگرمی کے لحاظ سے، افراد، کمپنیاں اور بینک/IDFIs اس عرصے کے دوران بالترتیب 82 بلین امریکی ڈالر، 81 بلین امریکی ڈالر اور 72 بلین امریکی ڈالر کے خالص اضافے کے ساتھ سب سے بڑے خریدار رہے۔ دوسری طرف، مارکیٹ میں غیر ملکی 271 بلین امریکی ڈالر کے خالص اخراج کے ساتھ سب سے بڑے فروخت کنندگان رہے۔

موجودہ مدت کے دوران NBP اسلامک انرجی فنڈ کا سائز 722 ملین روپے رہا۔ جو 30 جون 2021 کے مقابلے میں 17% کم ہے۔ اس مدت کے دوران، NBP اسلامک انرجی فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 9.4868 روپے سے کم ہو کر 31 مارچ 2022 کو 8.9269 روپے ہو گئی، لہذا 5.9% کی کمی ظاہر کی۔ بینچ مارک (KMI-30 انڈیکس) 4.8% سے کم ہوا۔ لہذا فنڈ کی کارکردگی زیر جائزہ مدت کے دوران اپنے بینچ مارک سے 1.1% اتر رہی۔ اپنے آغاز کے وقت (21 اپریل 2016) سے اب تک فنڈ کے یونٹ کی قیمت نے اپنے بینچ مارک میں 1.2% اضافہ کے مقابلے میں 23.7% کا اضافہ ظاہر کیا۔ اس طرح فنڈ کی کارکردگی اپنے بینچ مارک سے 22.5% اتر رہی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈنٹنگ ریورس کر دی گئی۔ اس پروڈنٹ کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

NBP اسلامک انرجی فنڈ کو اسی مدت کے دوران 29.36 ملین روپے کا نقصان ہوا۔ 26.62 ملین روپے کے اخراجات متبہا کرنے کے بعد مجموعی نقصان 55.98 ملین روپے ہے۔

31 مارچ 2022 کو فنڈ کی ایٹ ایکویشن درج ذیل ہے:



NIEF کی کارکردگی بمقابلہ بینچ مارک



انتہا 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 اسٹاک اور ٹرسٹی 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

تاریخ: 27 اپریل 2022ء

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	Rupees in '000	
ASSETS			
Balances with banks		13,641	38,604
Investments	4	715,321	849,498
Profit receivable		189	217
Dividend receivable		-	1,269
Deposits and other receivable		5,611	5,604
Total assets		734,762	895,192
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company		7,428	8,234
Payable to Central Depository Company of Pakistan Limited - the Trustee		142	171
Payable to the Securities and Exchange Commission of Pakistan		117	136
Payable against redemption of Units		368	1,210
Payable against purchase of investments		-	310
Accrued expenses and other liabilities		5,080	19,691
Total liabilities		13,135	29,752
NET ASSETS		721,627	865,440
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		721,627	865,440
CONTINGENCIES AND COMMITMENTS			
	6	----- Number of units -----	
NUMBER OF UNITS IN ISSUE		80,837,314	91,226,104
		----- Rupees -----	
NET ASSET VALUE PER UNIT		8.9269	9.4868

The annexed notes 1 to 13 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 MONTH AND QUARTER ENDED MARCH 31, 2022

		Nine month ended March 31,		Quarter ended March 31,	
		2022	2021	2022	2021
	Note	----- Rupees in '000 -----			
INCOME					
(Loss) / gain on sale of investments - net		(21,652)	37,926	(3,868)	15,606
Dividend income		60,742	19,005	23,497	6,503
Profit on balances with banks		1,498	1,520	571	640
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss - net		(84,984)	7,514	(14,141)	(30,845)
Total (loss) / income		(44,396)	65,965	6,059	(8,096)
EXPENSES					
Remuneration of the Management Company		8,782	6,854	2,710	2,890
Sindh Sales Tax on remuneration of the Management Company		1,142	891	353	375
Reimbursement of allocated expenses		1,140	595	361	289
Reimbursement of Selling and marketing expenses	7	11,906	8,118	3,703	3,815
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,171	914	361	385
Sindh Sales Tax on remuneration of the Trustee		152	119	47	50
Annual fee of the Securities and Exchange Commission of Pakistan		117	91	36	38
Amortisation of preliminary expenses and floatation costs		-	342	-	112
Auditors' remuneration		583	604	177	244
Security transaction cost		784	1,906	160	1,275
Legal and professional charges		409	119	122	61
Printing Expense		51	28	18	28
Listing fee		21	21	7	7
Shariah Advisor Fee		84	57	28	25
Settlement and bank charges		279	323	105	88
Total operating expenses		26,620	20,982	8,187	9,682
Net (loss) / income from operating activities		(71,016)	44,983	(2,128)	(17,778)
Reversal/ (Provision) against Sindh Workers' Welfare Fund	5	15,034	(900)	-	355
Net (loss) / income for the period before taxation		(55,982)	44,083	(2,128)	(17,423)
Taxation	8	-	-	-	-
Net (loss) / income for the period after taxation		(55,982)	44,083	(2,128)	(17,423)
Allocation of net income for the period					
Net income for the period after taxation		-	44,083	-	-
Income already paid on units redeemed		-	(39,395)	-	-
		-	4,688	-	-
Accounting income available for distribution:					
-Relating to capital gains		-	4,688	-	-
-Excluding capital gains		-	-	-	-
		-	4,688	-	-

The annexed notes 1 to 13 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 MONTH AND QUARTER ENDED MARCH 31, 2022

	Nine month ended March 31, 2022		Quarter ended March 31, 2022	
	2022	2021	2022	2021
	----- Rupees in '000 -----			
Net (loss) / income for the period after taxation	(55,982)	44,083	(2,128)	(17,423)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(55,982)</u>	<u>44,083</u>	<u>(2,128)</u>	<u>(17,423)</u>

The annexed notes 1 to 13 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 MONTH ENDED MARCH 31, 2022

	Nine month ended March 31, 2022			Nine month ended March 31, 2021		
	(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period (audited)	806,978	58,462	865,440	573,989	24,570	598,559
Issuance of 51,924,259 units (2021: 115,460,183 units)						
- Capital value (at net asset value per unit at the beginning of the period)	492,595	-	492,595	979,864	-	979,864
- Element of loss	(11,086)	-	(11,086)	166,691	-	166,691
Total proceeds on issuance of units	481,509	-	481,509	1,146,555	-	1,146,555
Redemption of 62,313,049 units (2021: 93,054,561 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(591,151)	-	(591,151)	(789,717)	-	(789,717)
- Element of income	21,811	-	21,811	(58,504)	(39,395)	(97,899)
Total payments on redemption of units	(569,340)	-	(569,340)	(848,221)	(39,395)	(887,616)
Total comprehensive (loss)/ income for the period	-	(55,982)	(55,982)	-	44,083	44,083
Net assets at end of the period (un-audited)	719,147	2,480	721,627	872,323	29,258	901,581
Undistributed income brought forward						
- Realised income		59,366			43,207	
- Unrealised (loss) / income		(904)			(18,637)	
		58,462			24,570	
Accounting income available for distribution						
- Relating to capital gains		(55,982)			4,688	
- Excluding capital gains		-			-	
		(55,982)			4,688	
Undistributed income carried forward		2,480			29,258	
Undistributed income carried forward						
- Realised income		87,464			21,744	
- Unrealised loss		(84,984)			7,514	
		2,480			29,258	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		9.4868			8.4866	
Net assets value per unit at end of the period		8.9269			9.7011	

The annexed notes 1 to 13 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 MONTH ENDED MARCH 31, 2022

	Nine month ended	
	March 31, 2022	March 31, 2021
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / Income for the period before taxation	(55,982)	44,083
Adjustments for:		
Unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss - net	84,984	(7,514)
Profit on balances with banks	(1,498)	(1,520)
Dividend income	(60,742)	(19,005)
Amortisation of preliminary expenses and floatation costs	-	342
Reversal/ (Provision) against Sindh Workers' Welfare Fund	15,034	(900)
	<u>(18,204)</u>	<u>15,486</u>
Decrease/ (Increase) in assets		
Investments - net	49,193	(306,129)
Deposits and other receivable	(7)	(7)
	<u>49,186</u>	<u>(306,136)</u>
(Decrease)/ increase in liabilities		
Payable to NBP Fund Management Limited - the Management Company	(806)	1,285
Payable to the Trustee	(29)	67
Payable to the Securities and Exchange Commission of Pakistan	(19)	(19)
Payable against purchase of investments	(310)	(175)
Accrued expenses and other liabilities	(29,645)	2,460
	<u>(30,809)</u>	<u>3,618</u>
Profit and Dividend received	63,537	17,951
Net cash generated/ (used) from operating activities	<u>63,710</u>	<u>(269,081)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issue of units	481,509	1,149,831
Payments on redemption of units	(570,182)	(888,015)
Net cash (used in)/ generated from financing activities	<u>(88,673)</u>	<u>261,816</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(24,963)</u>	<u>(7,265)</u>
Cash and cash equivalents at the beginning of the period	38,604	30,237
Cash and cash equivalents at the end of the period	<u>13,641</u>	<u>22,973</u>

The annexed notes 1 to 13 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 MONTH ENDED MARCH 31, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Energy 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 March 25, 2016 in accordance with the requirements of 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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Shariah compliant equity scheme' by the Board of Directors (the Board) 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 objective of the Fund is to provide higher risk adjusted returns to investors by investing in diversified portfolio of Shari'ah compliant energy sector equity instruments. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM1 to the Management Company. The Fund has not yet been rated.

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

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and



- 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 from 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 this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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 financial statements of the Fund for the year ended June 30, 2021.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

These 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, 2021.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. 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, 2021.

4 INVESTMENTS

Investments at fair value through profit or loss

- Listed equity securities

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
Note	----- Rupees in '000 -----	
4.1	<u>715,321</u>	<u>849,498</u>



4.1 Investment in equity securities - Listed

All shares have a nominal face value of Rs.10 each except for the shares of K-Electric Limited which have a face value of Rs 3.5 each.

Name of the Investee Company	As at July 01, 2021	Acquired during the year	Bonus / right shares received during the year	Sold during the year	As at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	Holding as a percentage of Paid up capital of the investee company
----- Number of shares -----						Rupees in '000	----- Percentage -----		
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	91,595	4,600	-	15,462	80,733	142,858	19.97	19.80	0.06
Oil & Gas Development Company Limited	1,492,300	359,500	-	260,300	1,591,500	132,301	18.50	18.33	0.03
Pakistan Oil Fields Limited	291,641	110,100	-	65,200	336,541	125,422	17.53	17.38	0.10
Pakistan Petroleum Limited	1,602,496	251,500	-	395,900	1,458,096	106,149	14.84	14.71	0.05
						506,731	70.84	70.22	
OIL AND GAS MARKETING COMPANIES									
Attock Petroleum Limited	73,400	11,000	-	9,500	74,900	22,594	3.16	3.13	0.06
Hi-Tech Lubricants Limited	61,200	60,000	9,940	11,500	119,640	5,068	0.71	0.70	0.10
Pakistan State Oil Company Limited	337,089	10,000	-	47,600	299,489	49,916	6.98	6.92	0.06
Shell Pakistan Limited	89,800	-	-	10,900	78,900	9,152	1.28	1.27	0.04
Sui Northern Gas Pipelines Limited	652,700	-	-	429,000	223,700	7,109	0.99	0.99	0.05
						93,840	13.12	13.00	
POWER GENERATION AND DISTRIBUTION									
Hub Power Company Limited	1,300,529	132,600	-	261,400	1,171,729	83,872	11.73	11.62	0.08
K-Electric Limited	5,982,500	-	-	5,982,500	-	-	-	-	-
Lalpur Power Limited	626,500	-	-	473,000	153,500	2,055	0.29	0.28	0.04
						85,928	12.01	11.91	
REFINERY									
Attock Refinery Limited	29,800	42,000	-	10,000	61,800	7,952	1.11	1.10	0.05
Cnergyico PK Limited / Byco	700,000	2,036,500	-	-	2,736,500	14,257	1.99	1.98	0.04
National Refinery Limited	14,400	25,000	-	7,500	31,900	6,614	1	1	0.04
						28,823	4.03	3.99	
Total as at March 31, 2022						715,321	100.00	99.13	
Carrying value as at March 31, 2022						800,305			
Market value as at June 30, 2021						849,498			
Carrying value as at June 30, 2021						850,402			

4.2 Investments include shares with market value amounting to Rs 76.001 million (June 30, 2021: Rs 81.133 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan, the breakup of which is as follows:

5 SINDH WORKERS' WELFARE FUND (SWWF)

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds



do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF amounting to Rs. 15.03 million recognised in these condensed interim financial statements of the Fund, for the period from April 21, 2016 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

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 2.05% per annum of the net assets of the Fund.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders as cash dividend. 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, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.55% (March 31, 2021: 4.78%) which includes 0.24% (March 31, 2021: 0.44%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Shari'ah compliant equity scheme".

10 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 10.1** 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.
- 10.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 10.3** Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.



- 10.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

10.5 Details of transactions with connected persons are as follows:

------(Un-Audited)-----
Nine moth **Nine moth**
ended **ended**
March 31, **March 31,**
2022 **2021**
----- Rs. In '000 -----

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	8,782	6,854
Sindh sales tax on remuneration of the Management Company	1,142	891
Reimbursement of allocated expenses	1,140	595
Sales Load and transfer load charged	97	1,077
Sindh Sales Tax on sales load	13	-
Reimbursement of Selling and marketing expenses	11,906	8,118
ADC Share charges including SST	3	5

Central Depository Company of Pakistan Limited - Trustee

Remuneration	1,171	914
Sindh sales tax on remuneration of Trustee	152	119
CDS charges	-	30

Employees of the Management Company

Units Issued / transferred in 7,446,769 units (2021: 14,751,392 units)	68,115	139
Units redeemed / transferred out 6,907,656 units (2021: 13,238,287 units)	63,197	125

Humayun Bashir - Director

Units Issued / transferred in Nil units (2021: 1,414,187 units)	-	14,960
Units redeemed / transferred out 1,088,937 units (2021: Nil units)	9,481	-

Farida Ali Asghar (More than 10% Shareholding)**

Units Redeemed : 20,228,242 Units (2021: Nil units)	188,222	-
Units Issued : 20,228,242 Units (2021: Nil units)	188,222	-

Portfolios Managed by Management Company**

Units Issued: 4,192,213 Units (2021: Nil units)	40,000	-
Units redeemed: 4,192,213 Units (2021: Nil units)	38,915	-

BankIslami Pakistan Limited (Common Directorship)

Profit on bank deposits	899	691
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Hub Power Company Limited (Common Directorship)*

Shares purchased: Nil shares (2021: 803,986 shares)	-	71,747
Shares sell: Nil shares (2021: 483,400 shares)	-	39,938

Taurus Securities Limited (Common Directorship)

Brokerage expense	41	88
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National Clearing Company of Pakistan Limited (Common Directorship)

NCCPL charges	249	277
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10.6 Amounts / balances outstanding as at period end:

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	-----Rs. In '000-----	
NBP Fund Management Limited - Management Company		
Management remuneration payable	945	1,135
Sindh sales tax on remuneration	123	148
Federal excise duty on remuneration	583	583
Reimbursement of allocated expenses payable	361	333
Sales load and transfer load payable	149	46
Sindh sales tax on front end load	41	27
Federal excise duty on front end load	1,501	1,501
Reimbursement of Selling and marketing expenses	3,703	4,443
ADC Share charges payable to AMC	5	2
Other payable	16	16
Employees of the Management Company		
Units held 2,011,009 units (June 30, 2021: 3,943,419 units)	17,952	37,410
Humayun Bashir - Director		
Units redeemed: Nil Units (June 30, 2021: 1,088,937 Units)	-	10,331
Farida Ali Asghar - more than 10%		
Units held: 20,228,242 Units (June 30, 2021: 20,228,241 Units)	180,575	191,901
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	126	151
Sindh Sales Tax on the remuneration of trustee	16	20
Security deposit	100	100
BankIslami Pakistan Limited (Common Directorship)		
Bank Balances	9,943	25,176
Profit receivable	135	101
National Bank of Pakistan (Parent Company)		
Bank Balances	103	-
Hub Power Company Limited (Common Directorship)*		
Shares held: Nil shares (June 30, 2021 : 1,300,529 Shares)	-	103,613
National Clearing Company of Pakistan Limited (Common Directorship)		
NCCPL charges payable	88	71
Security deposit	2,500	2,500
Portfolios Managed by Management Company		
Units held 352,267 units (June 30, 2021: 352,267 units)	3,145	3,342
Tauras Securities Limited - Subsidiary of Parent Company		
Brokerage payable	11	20

* Current year figure has not been presented as the person is not classified as a related party / connected person of the fund as at March 31, 2022.

** Prior year comparative has not been presented as the person was not related party / connected person of the fund as at June 30, 2021.



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.

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 as the items are either short-term in nature or repriced periodically.

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.

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 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 27, 2022.

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise is specified.

13.2 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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