

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



اسلامک سیونرز

Islamic Savings

NBP Fund Management Limited



NBP ISLAMIC MAHANA AMDANI FUND

HALF YEARLY REPORT
DECEMBER 31, 2022

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
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	09
INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS	10
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	11
CONDENSED INTERIM INCOME STATEMENT	12
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	13
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	14
CONDENSED INTERIM CASH FLOW STATEMENT	15
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION	16



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
Mr. Saad Amanullah Khan	Member
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member

Human Resource Committee

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

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
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 Bank Limited
Allied Bank Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited



Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 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 reviewed financial statements of **NBP Islamic Mahana Amdani Fund (NIMAF)** for the half year ended December 31, 2022.

Fund's Performance

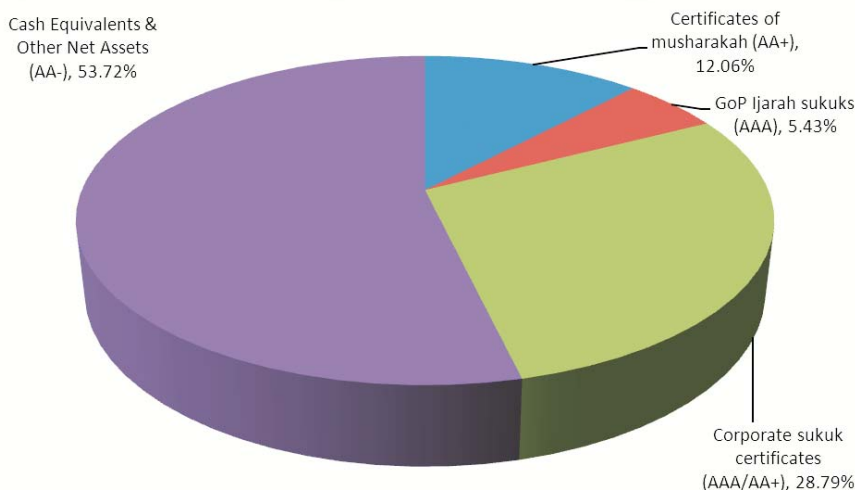
In terms of issuance of fresh corporate sukuk, the market witnessed low activity in the primary market against a large and growing demand. In the secondary market, a value of Rs. 3.1 billion was traded against Rs. 2.2 billion in the same period last year. During 1HFY23, Monetary Policy Committee (MPC) held four meetings and raised the policy rate by 225 basis points to 16%, with a view to anchor the inflationary pressures, achieve price stability - ensuring economic sustainability and easing pressure on currency. However, inflation expectations have been raised in anticipation of tough measures that may follow post re-entry into the IMF Program. According to SBP, rising input costs due to global & domestic supply shocks could de-anchor inflation expectations and undermine (medium-short term) growth.

Despite the administrative contraction in the current account deficit, external account management still looks challenging whereas these measures have also created supply-chain bottlenecks. Also, the production cuts by firms due to supply constraints have resulted in decline in LSM growth. The lack of fresh financial inflows and ongoing debt repayments have led to a continuous drawdown in official reserves. The net liquid foreign exchange reserves with SBP were recorded at USD 5.6 billion in December 2022 (depleting by USD 4.2 billion during 1HFY23), posing challenges and risks to the financial stability and fiscal consolidation.

NIMAF is categorized as a Shariah Compliant Income Fund and has been awarded stability rating of 'A+(f)' by PACRA. The Fund aims to provide monthly income to investors by investing in Shariah Compliant money market and debt avenues. Minimum eligible rating is A-, while the Fund is allowed to invest with Islamic Banks, Islamic branches / windows of conventional banks providing easy liquidity. The Fund is allowed to invest 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 Mahana Amdani Fund has increased from Rs. 10,365 million to Rs. 10,998 million during the period, a growth of 6%. The unit price of the Fund has increased from Rs. 10.0598 on June 30, 2022 to Rs. 10.7523 on December 31, 2022 thus showing return of 13.7% p.a. as compared to its benchmark return of 5.4% p.a. 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. 758.77 million during the period. After deducting total expenses of Rs. 80.33 million, the net income is Rs. 678.44 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIMAF:





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: February 21, 2023
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک ماہانہ آمدنی فنڈ (NIMAF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

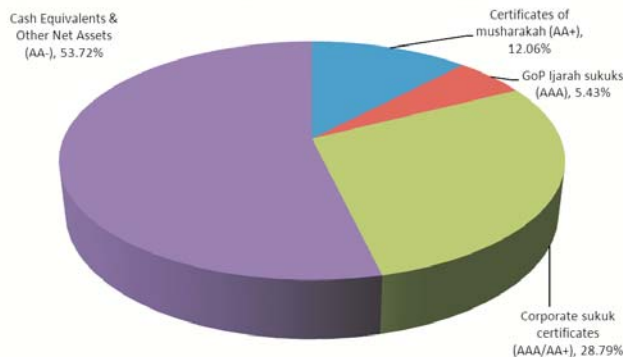
فریش کارپوریٹ سٹاک کے اجراء کے لحاظ سے، مارکیٹ نے پرائمری مارکیٹ میں بڑی اور بڑھتی ہوئی طلب کے مقابلے کم سرگرمی دیکھی۔ ثانوی مارکیٹ میں، گزشتہ سال کی اسی مدت میں 2.2 بلین روپے کے مقابلے میں 3.1 بلین کا کاروبار ہوا۔ مالی سال 23 کی پہلی ششماہی کے دوران، مانیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد ہوئے اور افراط زر کے دباؤ کو قابو کرنے، قیمتوں کا استحکام حاصل کرنے، اقتصادی استحکام کو یقینی بنانے اور کرنسی پر دباؤ کو کم کرنے کے مقصد سے پالیسی شرح کو 225 پیسے پوائنٹس سے بڑھا کر 16 فیصد کر دیا گیا۔ تاہم IMF پروگرام میں دوبارہ داخلہ کے باعث متوقع سخت اقدامات کے باعث افراط زر کی توقعات میں مزید اضافہ ہو گیا۔ SBP کے مطابق، عالمی اور ملکی فراہمی کے خطرات کی وجہ سے مہنگائی پیداواری اخراجات کو بڑھا رہی ہے، جو افراط زر کی توقعات کو کم اور (درمیانی مختصر مدت) نمو کو کمزور کر سکتی ہے۔

کرنٹ اکاؤنٹ خسارہ میں انتظامی سکڑاؤ کے باعث بیرونی کھاتوں کا انتظام اب بھی چیلنجنگ نظر آتا ہے جبکہ ان اقدامات نے سپلائی چین میں رکاوٹیں بھی پیدا کی ہیں۔ نیز سپلائی کی ان رکاوٹوں کی وجہ سے فرمز کی طرف سے پیداوار میں کمی کے نتیجے میں LSM کی نمویں کمی واقع ہوئی ہے۔ فریش مالی قوم کی کمی اور قرضوں کی جاری ادائیگیاں سرکاری ذخائر میں مسلسل کمی کا باعث بنی۔ دسمبر 2022 میں اسٹیٹ بینک نے خالص غیر ملکی زرمبادلہ کے ذخائر 5.6 بلین امریکی ڈالر ریکارڈ کیے (1HFY23 میں 4.2 بلین امریکی ڈالر کی کمی)، جو مالی اور مالیاتی استحکام کے لیے چیلنج اور خطرات پیدا کر رہے ہیں۔

NIMAF شریعت کے مطابق اکرم فنڈ کے طور پر درجہ بندی کیا جاتا ہے اور اسے PACRA کی طرف سے "A+(f)" کی مستحکم درجہ بندی تفویض کی گئی ہے۔ فنڈ کا مقصد شریعتی مطابقت پذیر یعنی مارکیٹ اور قرض کی آمد میں سرمایہ کاری کر کے سرمایہ کاروں کو ماہانہ آمدنی فراہم کرنا ہے۔ کم از کم اہل درجہ بندی-A، جبکہ فنڈ اسلامی بینکوں، اسلامی شاخوں اور اپنی بینکوں کی ونڈو آسان فراہمی کرنے کے ساتھ سرمایہ کاری کرنے کی اجازت دی جاتی ہے۔ فنڈ شریعت کے مطابق Money Market Instruments اور Debt Securities میں سرمایہ کاری کرنے کی اجازت دیتا ہے جو-A یا اس سے بہتر ہو۔ فنڈ ایکویٹیز میں سرمایہ کاری کرنے کا اختیار نہیں رکھتا۔ فنڈ کی اوسط میچورٹی گورنمنٹ سکیورٹیز کے علاوہ 4 سال سے زائد نہیں ہے۔

موجودہ مدت کے دوران NBP اسلامک ماہانہ آمدنی فنڈ کا سائز 10,365 ملین روپے سے بڑھ کر 10,998 ملین روپے ہو گیا ہے یعنی 6% کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2022 کو 10.0598 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2022 کو 10.7523 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اسپنڈنگ مارک %5.4 سالانہ کے مقابلے میں %13.7 سالانہ منافع ظاہر کیا۔ فنڈ کی یہ کارکردگی بیٹھمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے مدت کے دوران 758.77 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 80.33 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 678.44 ملین روپے ہے۔ درج ذیل چارٹ NIMAF کی ایسٹ ایلوکیشن 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 ڈسٹی 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 فنانس مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 21 فروری 2023ء

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Mahana Amdani Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 27, 2023



INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Islamic Mahana Amdani Fund** (the Fund) as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the half year ended December 31, 2022, together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarter ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Engagement Partner: Noman Abbas Sheikh

Dated: February 27, 2023

UDIN: RR202210061pa2ods3ER



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

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
Note	----- (Rupees in '000) -----	
ASSETS		
Bank balances	4 5,884,918	5,027,270
Investments	5 5,089,681	6,236,068
Profit receivable	196,088	200,751
Deposits, prepayments and other receivables	2,904	3,008
Receivable against transfer of units	4,378	17,245
Preliminary expenses and floatation costs	6 153	254
Total assets	11,178,122	11,484,596
LIABILITIES		
Payable to NBP Fund Management Limited - the Management Company	7 43,533	40,558
Payable to Central Depository Company of Pakistan Limited - the Trustee	8 719	800
Payable to the Securities and Exchange Commission of Pakistan	9 1,029	2,577
Payable against redemption of units	109,877	28,963
Payable against purchase of investments	-	901,429
Accrued expenses and other liabilities	10 24,507	145,293
Total liabilities	179,665	1,119,620
NET ASSETS	<u>10,998,457</u>	<u>10,364,976</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	<u>10,998,457</u>	<u>10,364,976</u>
CONTINGENCIES AND COMMITMENTS		
	11	
	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	<u>1,022,898,171</u>	<u>1,030,332,335</u>
	----- Rupees -----	
NET ASSET VALUE PER UNIT	12 <u>10.7523</u>	<u>10.0598</u>

The annexed notes 1 to 19 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Note	Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
(Rupees in '000)					
INCOME					
Profit on bank balances		345,948	229,677	173,644	124,094
Income on sukuk certificates		318,075	187,332	154,479	97,464
Income on term deposit receipts		-	22,394	-	6,309
Income on Islamic commercial papers		3,977	54,304	-	30,260
Income on bai muajjal certificate		-	4,587	-	-
Income on certificates of musharakah		99,373	41,484	53,246	21,869
		767,373	539,778	381,369	279,996
Gain / (loss) on sale of investments - net		137	(9,239)	64	(15,024)
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss - net	5.5	(8,740)	13,636	4,294	1,582
		(8,603)	4,397	4,358	(13,442)
Total income		758,770	544,175	385,727	266,554
EXPENSES					
Remuneration of NBP Fund Management Limited - the Management Company	7.1	10,856	14,379	5,434	6,796
Sindh sales tax on remuneration of the Management Company	7.2	1,411	1,869	706	883
Reimbursement of allocated expenses	7.3	6,433	8,592	3,159	4,212
Reimbursement of selling and marketing expenses	7.4	54,037	55,018	26,537	28,756
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	8.1	3,860	5,155	1,896	2,527
Sindh sales tax on remuneration of the Trustee	8.2	502	670	247	328
Annual fee of the Securities and Exchange Commission of Pakistan	9.1	1,029	1,375	505	674
Amortisation of preliminary expenses and floatation costs	6.1	101	101	50	50
Securities transaction cost		26	6	2	-
Auditors' remuneration		408	401	224	226
Legal and professional charges		92	271	46	236
Annual listing fee		14	14	7	7
Shariah advisor fee		881	936	405	338
Settlement and bank charges		501	343	243	206
Printing expenses		64	37	32	19
Annual rating fee		118	104	58	52
Total operating expenses		80,333	89,271	39,551	45,310
Net income from operating activities		678,437	454,904	346,176	221,244
Reversal of Sindh Workers' Welfare Fund - net		-	66,854	-	-
Net income for the period before taxation		678,437	521,758	346,176	221,244
Taxation	13	-	-	-	-
Net income for the period after taxation		678,437	521,758	346,176	221,244
Earnings per unit	14				
Allocation of net income for the period					
Net income for the period after taxation		678,437	521,758		
Income already paid on units redeemed		(119,487)	(100,340)		
		558,950	421,418		
Accounting income available for distribution					
- Relating to capital gains		-	4,397		
- Excluding capital gains		558,950	417,021		
		558,950	421,418		

The annexed notes 1 to 19 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Half year ended December 31,		Quarter ended, December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	678,437	521,758	346,176	221,244
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>678,437</u>	<u>521,758</u>	<u>346,176</u>	<u>221,244</u>

The annexed notes 1 to 19 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 HALF YEAR ENDED DECEMBER 31, 2022

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the period (audited)	10,286,249	78,727	10,364,976	15,016,569	68,237	15,084,806
Issuance of 464,323,509 units (2021: 670,247,184 units)						
- Capital value (at ex-net asset value per unit)	4,671,002	-	4,671,002	6,735,515	-	6,735,515
- Element of income	210,399	-	210,399	123,897	-	123,897
Total proceeds on issuance of units	4,881,401	-	4,881,401	6,859,412	-	6,859,412
Redemption of 471,757,673 units (2021: 930,012,771 units)						
- Capital value (at ex-net asset value per unit)	(4,745,788)	-	(4,745,788)	(9,345,977)	-	(9,345,977)
- Element of loss	(61,082)	(119,487)	(180,569)	(58,093)	(100,340)	(158,433)
Total payments on redemption of units	(4,806,870)	(119,487)	(4,926,357)	(9,404,070)	(100,340)	(9,504,410)
Total comprehensive income for the period	-	678,437	678,437	-	521,758	521,758
Net assets at the end of the period (un-audited)	10,360,780	637,677	10,998,457	12,471,911	489,655	12,961,566
Undistributed income brought forward						
- Realised income		74,265			55,951	
- Unrealised income		4,462			12,286	
		78,727			68,237	
Accounting income available for distribution						
- Relating to capital gains		-			4,397	
- Excluding capital gains		558,950			417,021	
		558,950			421,418	
Undistributed income carried forward		637,677			489,655	
Undistributed income carried forward						
- Realised income		646,417			476,019	
- Unrealised (loss) / income		(8,740)			13,636	
		637,677			489,655	
				(Rupees)		(Rupees)
Net asset value per unit at the beginning of the period				10.0598		10.0493
Net asset value per unit at the end of the period				10.7523		10.4418

The annexed notes 1 to 19 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 HALF YEAR ENDED DECEMBER 31, 2022

	Half year ended	
	December 31,	
	2022	2021
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	678,437	521,758
Adjustments:		
Profit on bank balances	(345,948)	(229,677)
Income on sukuk certificates	(318,075)	(187,332)
Income on term deposit receipts	-	(22,394)
Income on Islamic commercial papers	(3,977)	(54,304)
Income on bai muajjal certificate	-	(4,587)
Income on certificates of musharakah	(99,373)	(41,484)
Unrealised diminution / (appreciation) on re-measurement of investments at fair value through profit or loss - net	5.5 8,740	(13,636)
Reversal of Sindh Workers' Welfare Fund - net	-	(66,854)
Amortisation of preliminary expenses and floatation costs	6.1 101	101
	(758,532)	(620,167)
Decrease / (increase) in assets		
Investments - net	424,312	(1,142,629)
Deposit, prepayment and other receivables	104	90
	424,416	(1,142,539)
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - the Management Company	2,975	(4,450)
Payable to Central Depository Company of Pakistan Limited - the Trustee	(81)	(255)
Payable to the Securities and Exchange Commission of Pakistan	(1,548)	(2,339)
Accrued expenses and other liabilities	(120,786)	(126,816)
	(119,440)	(133,860)
Profit received on bank balances, sukuk certificates, term deposit receipts, islamic commercial papers, bai muajjal certificate and certificates of musharakah	772,036	534,260
Net cash generated from / (used in) operating activities	996,917	(840,548)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	4,894,268	6,963,447
Net payment against redemption of units	(4,845,443)	(9,515,483)
Net cash generated from / (used in) financing activities	48,825	(2,552,036)
Net increase / (decrease) in cash and cash equivalents during the period	1,045,742	(3,392,584)
Cash and cash equivalents at the beginning of the period	6,165,310	10,568,163
Cash and cash equivalents at the end of the period	4.2 7,211,052	7,175,579

The annexed notes 1 to 19 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 HALF YEAR ENDED DECEMBER 31, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Mahana Amdani Fund (the Fund) is an open end mutual fund constituted under a Trust Deed entered into on August 09, 2018 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 07, 2018.

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 26, 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 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 Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Shariah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs.10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from October 07, 2018 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant money market and debt securities.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 on June 22, 2022 (June 30, 2022: AM1). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has maintained the stability rating of the Fund to A+(f) (June 30, 2022: A+(f) rated on April 19, 2022) on October 19, 2022.

The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan as the 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 VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

- 2.2** 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 year ended June 30, 2022.
- 2.3** 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 December 31, 2022.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN

- 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, 2022.
- 3.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the 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 these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the annual audited financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2022.
- 3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's



annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2023. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4	BANK BALANCES	Note	(Un-audited)	(Audited)
			December 31, 2022	June 30, 2022
			----- (Rupees in '000) -----	
	Balances with banks in:			
	Savings accounts	4.1	5,819,649	4,981,707
	Current accounts	4.1	65,269	45,563
			<u>5,884,918</u>	<u>5,027,270</u>

4.1 These include a balance of Rs 51.019 million (June 30, 2022: Rs 28.089 million) maintained with BankIslami Pakistan Limited (a related party) and balances of Rs 5.534 million (June 30, 2022: Rs 8.970 million) with National Bank of Pakistan Limited (a related party) that carry profit at the rate of 15% (June 30, 2022: 15.25%) per annum and 12.25% (June 30, 2022: 12.25%) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 7% to 15.75% (June 30, 2022: 6.50% to 16%) per annum.

4.2 Cash and cash equivalents:

Bank balances	4	5,884,918	5,027,270
Certificates of Musharakah	5.4	1,326,134	1,138,040
		<u>7,211,052</u>	<u>6,165,310</u>

5 INVESTMENTS

At fair value through profit or loss

GoP Ijarah sukuk certificates	5.1	597,539	886,293
Corporate sukuk certificates	5.2	3,166,008	3,863,190
Islamic commercial papers	5.3	-	348,545
Certificates of musharakah	5.4	1,326,134	1,138,040
		<u>5,089,681</u>	<u>6,236,068</u>

5.1 GoP Ijarah sukuk certificates

Name of security	Profit payments/ principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the period	Sold / redeemed during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised (diminution) / appreciation	Percentage in relation to	
											total market value of investment of the Fund	net assets of the Fund
							----- (Rupees in '000) -----		----- % -----			
GoP Ijarah sukuk XX (Face value of Rs 100,000 per certificate)	Semi-annually	April 30, 2025	Weighted average 6 months T-Bills	2,435	-	2,435	-	-	-	-	-	-
GoP Ijarah sukuk XXI (Face value of Rs 100,000 per certificate)	Semi-annually	May 29, 2025	Weighted average 6 months T-Bills	6,500	-	497	6,003	600,480	597,539	(2,941)	11.74%	5.43%
Total as at December 31, 2022 (un-audited)								<u>600,480</u>	<u>597,539</u>	<u>(2,941)</u>	<u>11.74%</u>	<u>5.43%</u>
Total as at June 30, 2022 (audited)								<u>886,232</u>	<u>886,293</u>	<u>61</u>	<u>14.21%</u>	<u>8.55%</u>



5.2 Corporate sukuk certificates

Name of security	Rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the period	Sold / redeemed during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution)	Percentage in relation to			
												total market value of investments	net assets of the Fund		
												----- % -----			
Commercial banks															
Meezan Bank Limited Sukuk IV (traded) (Face value of Rs 1,000,000 per certificate)	AAA, VIS	Semi-annually	December 16, 2031	6 months KIBOR plus base rate of 0.35%	170	-	-	170	175,950	175,950	-	3.46%	1.60%		
Power generation and distribution															
Hub Power Holdings Limited Sukuk (non-traded) (Face value of Rs 100,000 per certificate)	AA, PACRA	Semi-annually	November 12, 2025	6 months KIBOR plus base rate of 2.50%	5,700	-	-	5,700	570,000	581,869	11,869	11.43%	5.29%		
The Hub Power Company Limited Sukuk - (non-traded) (Face value of Rs 100,000 per certificate)	AA+, PACRA	Semi-annually	March 19, 2024	1 year KIBOR plus base rate of 1.90%	6,500	-	-	6,500	503,302	496,031	(7,271)	9.75%	4.51%		
Pakistan Energy Sukuk-II - (traded) (Face value of Rs 5,000 per certificate)	Unrated	Semi-annually / At maturity	May 21, 2030	6 months KIBOR plus base rate of 0.10%	230,000	-	-	230,000	1,158,050	1,150,000	(8,050)	22.59%	10.46%		
K-Electric Limited - Sukuk - (traded) (Face value of Rs 100,000 per certificate)	AA+, VIS	Quarterly	August 03, 2027	3 months KIBOR plus base rate of 1.7%	83,300	-	-	83,300	404,505	402,158	(2,347)	7.90%	3.66%		
Short - term sukuk															
K-Electric short-term sukuk - 1 (non-traded) (Face value of Rs 1,000,000 per certificate)	AA, PACRA	Semi-annually	August 04, 2022	6 months KIBOR plus base rate of 0.85%	225	-	225	-	-	-	-	-	-		
K-Electric short-term sukuk - 2 (non-traded) (Face value of Rs 1,000,000 per certificate)	AA, PACRA	Semi-annually	August 15, 2022	6 months KIBOR plus base rate of 0.85%	200	-	200	-	-	-	-	-	-		
K-Electric short-term sukuk - 6 (non-traded) (Face value of Rs 1,000,000 per certificate)	AA, PACRA	Semi-annually	October 27, 2022	6 months KIBOR plus base rate of 0.7%	460	640	1,100	-	-	-	-	-	-		
K-Electric short-term sukuk - 9 (non-traded) (Face value of Rs 1,000,000 per certificate)	AA, PACRA	Semi-annually	March 21, 2023	6 months KIBOR plus base rate of 1.4%	-	360	-	360	360,000	360,000	-	7.07%	3.27%		
Total as at December 31, 2022 (un-audited)											3,171,807	3,166,008	(5,799)	55.13%	25.52%
Total as at June 30, 2022 (audited)											3,858,789	3,863,190	4,401	61.96%	37.27%

5.3 Islamic commercial papers

Name of investee company	Rating	Face value				Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation	Market value as a percentage of total investments	Market value as a percentage of net assets					
		As at July 1, 2022	Purchased during the period	Matured / sold during the period	As at December 31, 2022										
											----- (Rupees in '000) -----		----- % -----		
POWER GENERATION AND DISTRIBUTION															
Lucky Electric Power Company Limited	AA-, PACRA	200,000	-	200,000	-	-	-	-	-	-					
ENGINEERING															
Mughal Iron & Steel Industries Limited ICP - 1	A-, VIS	150,000	-	150,000	-	-	-	-	-	-					
Total as at December 31, 2022 (un-audited)											-	-	-	-	
Total as at June 30, 2022 (audited)											348,545	348,545	-	5.59%	3.37%

5.4 Certificates of musharakah

Name of investee company	Rating of investee company	Maturity date	Profit rate	As at July 1, 2022	Placed during the period	Matured during the period	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution)	Percentage in relation to								
										total market value of investments	net assets of the Fund							
												----- (Rupees in '000) -----		----- % -----				
MODARABA																		
First Habib Modaraba	AA+, PACRA	October 26, 2022	15.75%	-	554,083	554,083	-	-	-	-	-	-	-					
First Habib Modaraba	AA+, PACRA	October 28, 2022	15.75%	-	625,234	625,234	-	-	-	-	-	-	-					
First Habib Modaraba	AA+, PACRA	December 20, 2022	15.75%	-	100,000	100,000	-	-	-	-	-	-	-					
First Habib Modaraba	AA+, PACRA	January 26, 2023	15.75%	-	576,079	-	576,079	576,079	-	-	11.32%	5.24%						
First Habib Modaraba	AA+, PACRA	January 30, 2023	15.75%	-	650,055	-	650,055	650,055	-	-	12.77%	5.91%						
First Habib Modaraba	AA+, PACRA	July 26, 2022	13.40%	534,726	-	534,726	-	-	-	-	-	-						
First Habib Modaraba	AA+, PACRA	July 28, 2022	13.40%	603,314	-	603,314	-	-	-	-	-	-						
First Habib Modaraba	AA+, PACRA	March 20, 2023	16.75%	-	100,000	-	100,000	100,000	-	-	1.96%	0.91%						
Total as at December 31, 2022 (un-audited)											1,138,040	2,605,451	2,417,357	1,326,134	1,326,134	-	26.05%	12.06%
Total as at June 30, 2022 (audited)											1,138,040	1,138,040	-	-	-	-	18.25%	10.98%



		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
5.5	Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		
	Market value of investments	5,089,681	6,236,068
	Less: carrying value of investments	(5,098,421)	(6,231,606)
		<u>(8,740)</u>	<u>4,462</u>

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

	At the beginning of the period / year	254	455
	Less: amortisation during the period / year	(101)	(201)
	At the end of the period / year	<u>153</u>	<u>254</u>

- 6.1** Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are paid by NBP Fund Management Limited (a related party). These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
7	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY		
	Remuneration payable to the Management Company	2,041	1,906
	Sindh sales tax payable on remuneration of the Management Company	265	248
	Reimbursement of allocated expenses payable	3,159	3,635
	Reimbursement of selling and marketing expenses payable	26,536	29,299
	Sales load payable to the Management Company	7,474	3,224
	Sindh sales tax payable on sales load	989	430
	Transfer load payable	75	18
	ADC charges payable including Sindh sales tax	2,914	1,718
	Other payable to the Management Company	80	80
		<u>43,533</u>	<u>40,558</u>

- 7.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at 1.5% of net income of the Fund subject to floor and capping of 0.2% and 1.5% per annum of average annual net assets respectively (June 30, 2022: 1.5% of net income of the Fund subject to floor and capping of 0.2% and 1.5% per annum of average annual net assets) during the half year ended December 31, 2022. The remuneration is payable to the Management Company in arrears.

- 7.2** During the period, an amount of Rs. 1.411 million (December 31, 2021: Rs. 1.869 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (December 31, 2021: 13%).

- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).



The Management Company based on its discretion has charged accounting and operational charges under the following rates:

Rate applicable from July 1, 2022 to December 31, 2022	Rate applicable from July 1, 2021 to June 30, 2022
0.125% of average annual net assets	0.125% of average annual net assets

- 7.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008.

Rate applicable from July 1, 2022 to December 31, 2022	Rate applicable from July 1, 2021 to August 15, 2021	Rate applicable from August 16, 2021 to November 11, 2021	Rate applicable from November 12, 2021 to March 06, 2022	Rate applicable from March 07, 2022 to May 08, 2022	Rate applicable from May 09, 2022 to June 30, 2022
1.05% of average annual net assets	0.7% of average annual net assets	0.8% of average annual net assets	0.9% of average annual net assets	0.95% of average annual net assets	1.05% of average annual net assets

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	(Rupees in '000)
	Trustee fee payable	8.1 636	708
	Sindh sales tax payable on trustee fee	8.2 83	92
		<u>719</u>	<u>800</u>
8.1	The Trustee is entitled to monthly remuneration of 0.075% (2021: 0.075%) per annum of net assets for services rendered to the Fund under the provisions of the Trust Deed.		
8.2	During the period, an amount of Rs 0.502 million (2021: Rs 0.670 million) was charged on account of Sindh sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (December 31, 2021: 13%).		
9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	9.1 <u>1,029</u>	<u>2,577</u>
9.1	Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (June 30, 2022: 0.02%) of the average annual net assets of the Fund.		
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	364	456
	Legal fees payable	163	194
	Settlement and bank charges payable	317	115
	Brokerage payable	-	31
	Printing charges payable	111	66
	Shariah advisory fee payable	863	1,883
	Withholding tax payable	15,910	137,298
	Other payable	<u>6,779</u>	<u>5,250</u>
		<u>24,507</u>	<u>145,293</u>



11 CONTINGENCIES AND COMMITMENTS

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

12 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management 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, 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.

14 EARNINGS PER UNIT

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

15 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.56% (December 31, 2021: 1.30%) which includes 0.06% (December 31, 2021: 0.06%) representing government levies such as sales tax and the annual fee to SECP. The prescribed limit for the ratio is 2.5% (December 31, 2021: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a Shariah compliant income scheme.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

16.1 Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (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, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

16.2 Transactions with related parties / connected persons are executed on an arm's length basis 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 to related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

16.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

16.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

16.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.



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

	(Un-audited)	
	<u>Half year ended December 31,</u>	
	2022	2021
	----- (Rupees in '000) -----	
NBP Fund Management Limited - the Management Company		
Remuneration of NBP Fund Management Limited - the Management Company	10,856	14,379
Sindh sales tax on remuneration of the Management Company	1,411	1,869
Reimbursement of allocated expenses	6,433	8,592
Reimbursement of selling and marketing expenses	54,037	55,018
Amortisation of preliminary expenses and floatation costs	101	101
Sales and transfer load including Sindh sales tax	11,488	13,408
ADC charges including Sindh sales tax	2,178	1,659
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	3,860	5,155
Sindh sales tax on remuneration of the Trustee	502	670
Settlement charges	155	92
Employees of the Management Company		
Units issued during the period - 5,894,863 units (2021: 10,064,089 units)	61,744	103,540
Units redeemed during the period - 6,487,750 units (2021: 11,194,928 units)	67,769	115,085
Dr Amjad Waheed - the Chief Executive Officer of the Management Company		
Units redeemed during the period - 591 units (2021: Nil)	6	-
Muhammad Murtaza Ali - the Company Secretary and the Chief Operating Officer of the Management Company		
Units issued during the period - Nil (2021: 75,175 units)	-	781
Units redeemed during the period - 1,160 units (2021: 137,234 units)	12	1,426
Khalid Mehmood - the Chief Financial Officer of the Management Company		
Units issued during the period - 28 units (2021: 207,913 units) *	-	2,100
Units redeemed during the period - Nil (2021: 207,913 units)	-	2,134
K-Electric Limited**		
Purchase of sukuk certificate	1,004,065	-
Sale of sukuk certificate	684,129	-
Profit of sukuk certificate	81,172	-
Portfolio managed by the Management Company		
Units issued during the period - Nil units (2021: 1,286 units)	-	13
Units redeemed during the period - 200,564 units (2021: 5,976,007 units)	2,086	61,484
Sell of Ijarah Sukuks	51,290	
Fauji Fertilizer Company Limited - common directorship		
Units redeemed during the period - 18 units (2021: Nil) *	-	-
BankIslami Pakistan Limited - common directorship		
Profit on bank deposits	21,867	7,803
Profit on term deposit receipts	-	14,530
Placement of term deposit receipts	-	1,703,062
Term deposit receipts matured during the period	-	2,403,062



		(Un-audited)	
		Half year ended December 31,	
		2022	2021
		----- (Rupees in '000) -----	
National Bank of Pakistan - Parent of the Mangement Company			
	Profit on bank deposits	143	62
NBP Income Opportunity Fund			
	Purchase of sukuk certificates	-	88,362
		(Un-audited)	(Audited)
		December 31,	June 30,
		2022	2022
		----- (Rupees in '000) -----	
16.7	Amounts / balances outstanding as at period / year end:		
	NBP Fund Management Limited - the Management Company		
	Remuneration payable to the Management Company	2,041	1,906
	Sindh sales tax payable on remuneration of the Management Company	265	248
	Reimbursement of allocated expenses payable	3,159	3,635
	Reimbursement of selling and marketing expenses payable	26,536	29,299
	Sales load payable to the Management Company	7,474	3,224
	Sindh sales tax payable on sales load	989	430
	Transfer load payable	75	18
	ADC charges payable including Sindh sales tax	2,914	1,718
	Other payable to the Management Company	80	80
	Employees of the Management Company		
	Units held 5,188,033 (June 30, 2022: 5,524,230) units	55,783	55,573
	Muhammad Murtaza Ali - the Chief Operating Officer and the Company Secretary		
	Units held - 516 (June 30, 2022: 1,676) units	6	17
	Imran Zaffar - Director		
	Units held - 2,270 (June 30, 2022: 2,270) units	24	23
	K-Electric Limited**		
	Sukuk certificates	762,158	-
	Profit receivable on sukuk certificates	29,055	-
	Portfolio managed by the Management Company		
	Units held - 242,245 (June 30, 2022: 1,384) units	2,605	14
	Dr Amjad Waheed - the Chief Executive Officer of the Management Company		
	Units held - Nil (June 30, 2022: 591 units)	-	6
	Fauji Fertilizer Company Limited - common directorship		
	Units held - Nil (June 30, 2022: 18 units) *	-	-
	Khalid Mehmood -Chief Financial Officer of the Management Company		
	Units held - 28 (June 30, 2022: Nil) units *	-	-
	Central Depository Company of Pakistan Limited - the Trustee		
	Remuneration payable to the Trustee	636	708
	Sindh sales tax on remuneration of the Trustee	83	92
	Settlement charges payable	117	16
	Security deposit	103	103
	BankIslami Pakistan Limited - common directorship		
	Bank balances	51,019	28,090
	Profit receivable on bank balances	186	209



(Un-audited) (Audited)
December 31, June 30,
2022 2022
------(Rupees in '000)-----

National Bank of Pakistan - Parent of the Mangement Company

Bank balances	5,534	8,970
Profit receivable on bank balances	61	13

* Nil due to rounding off

** Prior period figures have not been presented as the person was not a related party / connected person as at June 30, 2022

17 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.

17.1 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).

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value.

----- Un-audited -----			
----- As at December 31, 2022 -----			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
At fair value through profit or loss			
GoP Ijarah sukuk certificates	-	597,539	-
Corporate sukuk certificates	-	3,166,008	-
Certificates of musharakah**	-	1,326,134	-
	-	5,089,681	-
			5,089,681



----- Audited -----			
----- As at June 30, 2022 -----			
Level 1	Level 2	Level 3	Total

(Rupees in '000)

At fair value through profit or loss

GoP Ijarah sukuk certificates	-	886,293	-	886,293
Corporate sukuk certificates	-	3,863,190	-	3,863,190
Islamic commercial papers*	-	348,545	-	348,545
Certificates of musharakah**	-	1,138,040	-	1,138,040
	-	6,236,068	-	6,236,068

* The valuation of Islamic commercial papers has been done based on amortisation to their face values as per the guidelines given in Circular 33 of 2012 by the SECP since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

** The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit rating.

18 GENERAL

18.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

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

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 21, 2023.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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