

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگز

NBP Fund Management Limited



NBP ISLAMIC ENERGY FUND

QUARTERLY REPORT
MARCH 31, 2023

AM1
Rated by PACRA

MISSION STATEMENT

"To become country's most
investor-focused company,
by assisting investors
in achieving their financial goals."

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

| | |
|-----------------------------------|-------------------------|
| Shaikh Muhammad Abdul Wahid Sethi | Chairman |
| Dr. Amjad Waheed | Chief Executive Officer |
| Mr. Tauqeer Mazhar | Director |
| Ms. Mehnaz Salar | Director |
| Mr. Ali Saigol | Director |
| Mr. Imran Zaffar | Director |
| Mr. Khalid Mansoor | Director |
| Mr. Saad Amanullah Khan | Director |
| Mr. Ruhail Muhammad | Director |

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

| | |
|-------------------------|----------|
| Mr. Ruhail Muhammad | Chairman |
| 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

Allied Bank Limited
Bank Alfalah 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.nbpfunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

Khan Center, 1st Floor, Abdali Road, Multan.
Phone No. : 061-4540301-6, 061-4588661-2 & 4

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Islamic Energy Fund (NIEF)** for the period ended March 31, 2023.

Fund's Performance

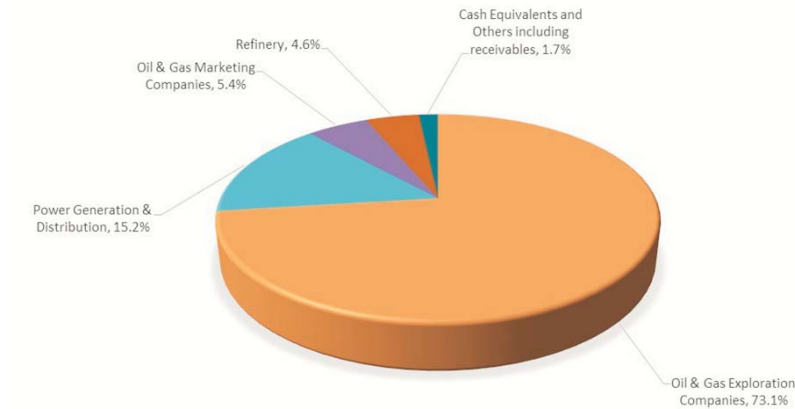
The equity market performance during 9MFY23 remained muted, as the KMI-30 Index increased marginally by 572 points to close at 69,338 points. During the period, the market remained very choppy and the Index exhibited large swings on both sides shaped by the news-flow.

The robust corporate profitability exhibited by the listed companies during September and December periods failed to excite investors. Rather, their focus remained on the state of economy which faced multi-faceted challenges continuing into this year, especially the precarious situation on the balance of payment (BOP) front held their attention. Compared to the previous year, the current account deficit (CAD) was brought under control due to various administrative measures taken by the authorities. However, the BOP was adversely affected by the elevated external debt repayments. Due to delay in meeting conditions of IMF, the program remained in abeyance and the external inflows dried up. Hence, SBP's FX reserves slipped from USD 9.8 billion to USD 4.2 billion on account of contractual loan repayments. Amid dwindling FX reserves, PKR witnessed steep devaluation (an unprecedented drop of 39% to settle at 283.8 against USD) at March-23 end, which also dented sentiments. Unprecedented rains led to floods in the country that not only caused massive devastation but further worsened economic outlook, as GDP estimates were trimmed down in successive revisions. Inflation, which was already on an ascent due to commodity upcycle and retail fuel & power prices adjustments, further ratcheted up due to acute supply disruptions & shortages. Average inflation clocked in at around 27.3% in 9MFY23 with the highest ever monthly inflation rate of 35.4% recorded in March-23. This prompted the central bank to aggressively increase Policy Rate to 20% from 13.75% at the start of the period. Political uncertainty also remained elevated during the period after provincial assemblies in Punjab and KPK were dissolved and the opposition, government, and the apex court engaged in a face-off.

In terms of sector performance, Cements, Banks, Fertilizer, Oil & Gas Exploration Companies, Power Generation & Distribution, Sugar & Allied Industries, Technology & Communication, and Transport sectors outperformed the market. On the contrary, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Chemicals, Engineering, Food & Personal Care, Glass & Ceramics, Insurance, Leather & Tanneries, Oil & Gas Marketing, Paper & Board, Pharmaceutical, Refinery & Textile Composite sectors lagged the market. On participants-wise market activity, Companies, Banks/DFIs and Individual emerged the largest net buyers with inflows of around USD 82 million, USD 60 and USD 58 million, respectively. On the contrary, Mutual Funds & Insurance lowered their net holdings by around USD 111 million & USD 105 million, respectively.

The size of NBP Islamic Energy Fund at the end of the period stood at Rs. 729 million, 2% lower than its size at June 30, 2022. During the period, the unit price of NBP Islamic Energy Fund has increased from Rs. 8.8236 on June 30, 2022 to Rs. 9.2846 on March 31, 2023, thus showing an increase of 5.2%. The Benchmark (KMI-30 Index) increased by 0.8%. Thus, the Fund has outperformed its Benchmark by 4.4% during the period under review. Since inception, the NAV of the Fund has increased from Rs. 8.8218 (Ex-Div) on April 21, 2016, to Rs. Rs. 9.2846 on March 31, 2023, thus showing an increase of 5.3%. During the said period, the Benchmark increased by 17.6%, translating into under performance of 12.3%. This performance is net of management fee and all other expenses

NBP Islamic Energy Fund Fund incurred a total income of Rs. 51.66 million during the period. After deducting total expenses of Rs. 23.82 million, the net loss is Rs. 27.84 million. The asset allocation of the Fund as on March 31, 2023 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 Officer

Director

Date: April 29, 2023
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2023ء 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

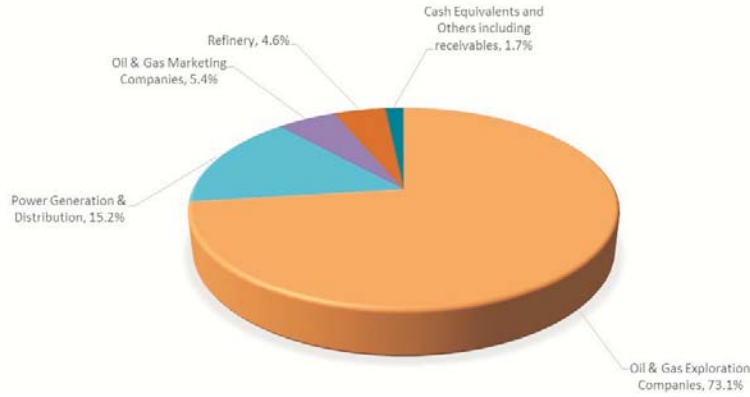
ماہی سال 2023 کی نو ماہی کے دوران ایکویٹی مارکیٹ کی کارکردگی سست رہی، کیونکہ شیخ مارک KMI-30 انڈیکس 572 پوائنٹس کے اضافہ سے 69,338 پوائنٹس پر بند ہوا۔ اس عرصے کے دوران، مارکیٹ بہت اتار چڑھاؤ کا شکار رہی اور انڈیکس خیروں کے باعث دونوں اطراف گھومتا رہا۔

ستمبر اور دسمبر کے دوران لسٹڈ کمپنیوں کی طرف سے پیش کردہ مضبوط کارپوریٹ منافع سرمایہ کاروں کو پُر جوش کرنے میں ناکام رہا۔ جبکہ، ان کی توجہ معیشت پر مرکوز رہی جس نے اس سال تک جاری رہنے والے کثیر الجہتی چیلنجز کا سامنا کیا، خاص طور پر ادائیگی کے توازن (BOP) پر غیر یقینی صورتحال ان کی توجہ کا مرکز رہی۔ گزشتہ سال کے مقابلے میں، اگرچہ حکام کی جانب سے مختلف انتظامی اقدامات کے باعث کرنٹ اکاؤنٹ خسارہ (CAD) کو کنٹرول میں لایا گیا، تاہم، اس سال، بیرونی قرضوں کی ادائیگیوں میں اضافہ سے BOP بُری طرح متاثر ہوا۔ آئی ایم ایف کی شرائط پوری کرنے میں تاخیر کی وجہ سے پروگرام تعطل کا شکار رہا اور بیرونی رقم کا بہاؤ کم ہو گیا۔ لہذا، معاہدے کے تحت قرض کی ادائیگیوں کی وجہ سے اسٹیٹ بینک پاکستان کے FX ذخائر 9.8 بلین امریکی ڈالر سے کم ہو کر 4.2 بلین امریکی ڈالر رہ گئے۔ کم ہوتے FX کے ذخائر کے ساتھ ساتھ پاکستانی روپیہ میں مارچ 23 کے آخر میں زبردست گراؤ (ایک امریکی ڈالر کے مقابلے میں 283.8 روپے یعنی 39 فیصد کی غیر معمولی کمی) دیکھی، جس نے معاشی جذبات کو بھی نقصان پہنچایا۔ غیر معمولی بارشوں کے نتیجے میں ملک میں تباہ کن سیلاب آیا جس نے نہ صرف بڑے پیمانے کی تباہی مچائی بلکہ اقتصادی نقطہ نظر کو مزید خراب کر دیا کیونکہ GDP کے تخمینے لگانا نظر ثانی میں کیے گئے تھے۔ مہنگائی، جو کہ تجارتی اشیاء کو دوبارہ کارآمد بنانا اور خوردہ ایندھن اور بجلی کی قیمتوں میں مطابقت کی وجہ سے پہلے ہی عروج پر تھی، مزید بڑھ گئی کیونکہ رسد میں شدید رکاوٹ اور قلت نے قیمتوں پر مزید باؤ ڈالا۔ مارچ 23 میں ریکارڈ کی گئی اب تک کی سب سے زیادہ ماہانہ افراط زر 35.4 فیصد کے ساتھ 9MFY23 میں اوسط مہنگائی تقریباً 27.3 فیصد تک پہنچ گئی۔ اس نے مرکزی بینک کو جارحانہ انداز میں پالیسی ریٹ 13.75 فیصد سے بڑھا کر 20 فیصد کرنے پر آمادہ کیا۔ اس عرصہ کے دوران سیاسی غیر یقینی صورتحال کا بھی سامنا رہا پنجاب اور KPK میں صوبائی اسمبلیاں تحلیل ہونے اور اپوزیشن، حکومت اور سپریم کورٹ کے آمنے سامنے ہونے کے بعد سرمایہ کاروں کے جذبات بُری طرح متاثر ہوئے۔

یکسٹرو آرکار کردگی کے لحاظ سے سیمنٹ، بینک، فریٹ لائزر، آئل اینڈ گیس ایکویٹی، ایکویٹی، پاور جنریشن اینڈ ڈسٹری بیوٹن، شوگر اینڈ الائیڈ انڈسٹریز، ٹیکسٹائل اور کیوٹیکسٹین، اور ٹرانسپورٹ سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس، آٹو اسٹیمبرز، آٹو پارٹس اور اسپریریز، کمیل اور ایکسٹریکٹ سامان، کیمیکل، انجینئرنگ، فوڈ اینڈ پراسسنگ، گلاس اینڈ سیرامکس، انشورنس، لیڈر اینڈ ٹیکسٹائل، آئل اینڈ گیس مارکیٹنگ، چیمبر اینڈ بورڈ، فارماسیوٹیکل، ریفرنسری اور ٹیکسٹائل کمپوزٹ سیکٹرز مارکیٹ میں پیچھے رہ گئے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، کمپنیاں، بینک/DFIs اور انفرادی سرمایہ کار بالترتیب 82 بلین امریکی ڈالر، 60 بلین امریکی ڈالر اور 58 بلین امریکی ڈالر کی آمد کے ساتھ بڑے خالص خریدار رہے۔ اس کے برعکس، میوچل فنڈز اور انشورنس نے اپنی خالص ہولڈنگ میں بالترتیب 111 بلین امریکی ڈالر اور 105 بلین امریکی ڈالر کی گماہری کی۔

موجودہ مدت کے اختتام پر NBP اسلامک انرجی فنڈ کا سائز 729 ملین روپے رہا۔ جو 30 جون 2022 کے مقابلے میں 2 فیصد کم ہے۔ اس مدت کے دوران، NBP اسلامک انرجی فنڈ کے پونٹ کی قیمت 30 جون 2022 کو 8.8236 روپے سے بڑھ کر 31 مارچ 2023 کو 9.2846 روپے ہو گئی، لہذا 5.2 فیصد کا اضافہ ظاہر کیا۔ شیخ مارک (KMI-30 انڈیکس) 0.8 فیصد زیادہ ہوا۔ لہذا فنڈ کی کارکردگی زبردست مدت کے دوران اپنے شیخ مارک سے 4.4 فیصد بہتر رہی۔ اپنے قیام کے وقت (21 اپریل 2016) سے اب تک فنڈ کے پونٹ کی قیمت 8.8218 روپے سے بڑھ کر 31 مارچ 2023 کو 9.2846 روپے ہو گئی، لہذا 5.31 فیصد کا اضافہ ظاہر کیا۔ اسی مدت کے دوران، فنڈ کے شیخ مارک میں 17.6 فیصد کا اضافہ ہوا، جس کے نتیجے میں 12.3 فیصد ایتر کارکردگی رہی۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP اسلامک انرجی فنڈ کو موجودہ مدت کے دوران 51.66 ملین روپے کی مجموعی آمدنی ہوئی۔ 23.82 ملین روپے کے اخراجات منہا کرنے کے بعد خالص نقصان 27.84 ملین روپے ہے۔ 31 مارچ 2023 کو فنڈ کی ایسٹ ایلیویشن درج ذیل ہے:



NIEF کی کارکردگی بہ مقابلہ بیچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر ریونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ انویسٹمنٹ 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 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

چیف ایگزیکٹو آفیسر

تاریخ: 29 اپریل 2023

مقام: کراچی

ڈائریکٹر

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2023

| | (Un-audited) March 31, 2023 | (Audited) June 30, 2022 |
|--------------------------------------------------------------------|-----------------------------------|-------------------------------|
| ASSETS | | |
| Balances with banks | 24,803 | 25,981 |
| Investments | 716,654 | 702,917 |
| Profit receivable | 333 | 166 |
| Receivable against issuance of units | - | 875 |
| Deposits and other receivable | 5,611 | 5,604 |
| Total assets | 747,401 | 735,542 |
| LIABILITIES | | |
| Payable to NBP Fund Management Limited - Management Company | 7,921 | 7,754 |
| Payable to Central Depository Company of Pakistan Limited -Trustee | 144 | 131 |
| Payable to the Securities and Exchange Commission of Pakistan | 103 | 153 |
| Payable against redemption of units | 2,202 | 2,008 |
| Payable against purchase of investments | - | 3,586 |
| Accrued expenses and other liabilities | 8,465 | 5,360 |
| Total liabilities | 18,835 | 18,992 |
| NET ASSETS | 728,566 | 716,550 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | 728,566 | 716,550 |
| CONTINGENCIES AND COMMITMENTS | | |
| | 5 | ---- |
| | | ---- Number of units ---- |
| NUMBER OF UNITS IN ISSUE | 78,470,098 | 81,208,268 |
| | | ----- Rupees ----- |
| NET ASSET VALUE PER UNIT | 9.2846 | 8.8236 |

The annexed notes 1 to 12 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, 2023

| Note | Nine month ended March 31, | | Quarter ended March 31, | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------|----------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| ----- Rupees in '000 ----- | | | | |
| INCOME | | | | |
| Loss on sale of investments - net | (4,332) | (21,652) | (4,981) | (3,868) |
| Dividend income | 76,920 | 60,742 | 25,724 | 23,497 |
| Profit on balances with banks | 2,923 | 1,498 | 1,270 | 571 |
| Unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss - net | (23,850) | (84,984) | (657) | (14,141) |
| Total Income / (loss) | 51,661 | (44,396) | 21,356 | 6,059 |
| EXPENSES | | | | |
| Remuneration of the Management Company | 7,710 | 8,782 | 2,646 | 2,710 |
| Sindh Sales Tax on remuneration of the Management Company | 1,002 | 1,142 | 344 | 353 |
| Reimbursement of allocated expenses | 1,028 | 1,140 | 353 | 361 |
| Reimbursement of Selling and marketing expenses | 10,537 | 11,906 | 3,616 | 3,703 |
| Remuneration of the Central Depository Company of Pakistan Limited - Trustee | 1,028 | 1,171 | 353 | 361 |
| Sindh Sales Tax on remuneration of the Trustee | 134 | 152 | 46 | 47 |
| Annual fee of the Securities and Exchange Commission of Pakistan | 103 | 117 | 35 | 36 |
| Auditors' remuneration | 556 | 583 | 110 | 177 |
| Security transaction cost | 1,140 | 784 | 727 | 160 |
| Legal and professional charges | 109 | 409 | 36 | 122 |
| Printing Expene | 51 | 51 | 17 | 18 |
| Listing fee | 21 | 21 | 7 | 7 |
| Shariah Advisor Fee | 85 | 84 | 28 | 28 |
| Settlement and bank charges | 314 | 279 | 102 | 105 |
| Total operating expenses | 23,818 | 26,620 | 8,419 | 8,187 |
| Net Income / (loss) from operating activities | 27,843 | (71,016) | 12,936 | (2,128) |
| Reversal for Sindh Workers' Welfare Fund | - | 15,034 | - | - |
| Net Income / (loss) for the period before taxation | 27,843 | (55,982) | 12,936 | (2,128) |
| Taxation | - | - | - | - |
| Net Income / (loss) for the period after taxation | 27,843 | (55,982) | 12,936 | (2,128) |
| Allocation of net income for the period | | | | |
| Net income for the period after taxation | 27,843 | - | 12,936 | - |
| Income already paid on units redeemed | (7,510) | - | (7,467) | - |
| | 20,333 | - | 5,469 | - |
| Accounting income available for distribution: | | | | |
| -Relating to capital gains | - | - | - | - |
| -Excluding capital gains | 20,333 | - | 5,469 | - |
| | 20,333 | - | 5,469 | - |

The annexed notes 1 to 12 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, 2023

| | Nine month ended | | Quarter ended | |
|-----------------------------------------------------------|----------------------------|------------------------|----------------------|-----------------------|
| | March 31, 2023 | 2022 | March 31, 2023 | 2022 |
| | ----- Rupees in '000 ----- | | | |
| Net Income / (loss) for the period after taxation | 27,843 | (55,982) | 12,936 | (2,128) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive Income / (loss) for the period | <u><u>27,843</u></u> | <u><u>(55,982)</u></u> | <u><u>12,936</u></u> | <u><u>(2,128)</u></u> |

The annexed notes 1 to 12 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, 2023

| | Nine month ended March 31, 2023 | | | Nine month ended March 31, 2022 | | |
|------------------------------------------------------------------------------|---------------------------------|----------------------|----------------|---------------------------------|----------------------|----------------|
| | (Rupees in '000) | | | (Rupees in '000) | | |
| | Capital Value | Undistributed income | Total | Capital Value | Undistributed income | Total |
| Net assets at beginning of the period (audited) | 722,940 | (6,390) | 716,550 | 806,978 | 58,462 | 865,440 |
| Issuance of 62,747,275 units (2022: 51,924,259 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 553,657 | - | 553,657 | 492,595 | - | 492,595 |
| - Element of income/ (loss) | 39,887 | - | 39,887 | (11,086) | - | (11,086) |
| Total proceeds on issuance of units | 593,544 | - | 593,544 | 481,509 | - | 481,509 |
| Redemption of 65,485,445 units (2022: 62,313,049 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (577,817) | - | (577,817) | (591,151) | - | (591,151) |
| - Element of income/ (loss) | (24,044) | (7,510) | (31,554) | 21,811 | - | 21,811 |
| Total payments on redemption of units | (601,861) | (7,510) | (609,371) | (569,340) | - | (569,340) |
| Total comprehensive (loss)/ income for the period | - | 27,843 | 27,843 | - | (55,982) | (55,982) |
| Net assets at end of the period (un-audited) | 714,623 | 13,943 | 728,566 | 719,147 | 2,480 | 721,627 |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 68,917 | | | 59,366 | |
| - Unrealised (loss) / income | | (75,307) | | | (904) | |
| | | (6,390) | | | 58,462 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | - | | | (55,982) | |
| - Excluding capital gains | | 20,333 | | | - | |
| | | 20,333 | | | (55,982) | |
| Undistributed income carried forward | | 13,943 | | | 2,480 | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 37,793 | | | 87,464 | |
| - Unrealised loss | | (23,850) | | | (84,984) | |
| | | 13,943 | | | 2,480 | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | 8.8236 | | | 9.4868 |
| Net assets value per unit at end of the period | | | 9.2846 | | | 8.9269 |

The annexed notes 1 to 12 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, 2023

| | Nine month ended | |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------|
| | March 31, 2023 | March 31, 2022 |
| | -----Rupees in '000----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Income / (loss) for the period before taxation | 27,843 | (55,982) |
| Adjustments for: | | |
| Unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss - net | 23,850 | 84,984 |
| Profit on balances with banks | (2,923) | (1,498) |
| Dividend income | (76,920) | (60,742) |
| Reversal for Sindh Workers' Welfare Fund | - | 15,034 |
| | <u>(28,150)</u> | <u>(18,204)</u> |
| Decrease/ (Increase) in assets | | |
| Investments - net | <u>(37,587)</u> | <u>49,193</u> |
| Deposits and other receivable | <u>(7)</u> | <u>(7)</u> |
| | <u>(37,594)</u> | <u>49,186</u> |
| (Decrease)/ increase in liabilities | | |
| Payable to NBP Fund Management Limited - Management Company | <u>166</u> | <u>(806)</u> |
| Payable to Central Depository Company of Pakistan Limited -Trustee | <u>13</u> | <u>(29)</u> |
| Payable to the Securities and Exchange Commission of Pakistan | <u>(50)</u> | <u>(19)</u> |
| Payable against purchase of investments | <u>(3,586)</u> | <u>(310)</u> |
| Accrued expenses and other liabilities | <u>3,105</u> | <u>(29,646)</u> |
| | <u>(352)</u> | <u>(30,809)</u> |
| Profit and Dividend received | <u>79,676</u> | <u>63,537</u> |
| Net cash generated from operating activities | <u>13,580</u> | <u>63,710</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net receipts from issue of units | <u>594,419</u> | <u>481,509</u> |
| Payments on redemption of units | <u>(609,177)</u> | <u>(570,182)</u> |
| Net cash (used in) from financing activities | <u>(14,758)</u> | <u>(88,673)</u> |
| Net (decrease) in cash and cash equivalents during the period | <u>(1,178)</u> | <u>(24,963)</u> |
| Cash and cash equivalents at the beginning of the period | <u>25,981</u> | <u>38,604</u> |
| Cash and cash equivalents at the end of the period | <u>24,803</u> | <u>13,641</u> |

The annexed notes 1 to 12 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, 2023

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 categorized as an open ended 'Sharia 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 Sharia compliant energy sector equity instruments. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed the asset manager rating of the Management Company of AM1 (June 30, 2022: AM1) on June 22, 2022. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.

The title to the assets of the Fund is held in the name of the CDC 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, 2022.

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, 2023.

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, 2022.
- 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 expenses and other factors. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the audited financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2022.

| | Note | (Un-Audited) March 31, 2023 | (Audited) June 30, 2022 |
|---------------------------------------------------------|------|-----------------------------------|-------------------------------|
| 4 INVESTMENTS | | ----- Rupees in '000 ----- | |
| Investments at fair value through profit or loss | | | |
| - Listed equity securities | 4.1 | <u>716,654</u> | <u>702,917</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 | Number of shares | | | | Market value As at March 31, 2023 | Market value as a percentage of | | Holding as a percentage of paid-up capital of investee company |
|--------------------------------------------|-----------------------|-----------------------------------|------------------------------|----------------------------|--------------------------------------------|-----------------------------------------|---------------------------|----------------------------------------------------------------------------|
| | As at July 1, 2022 | Purchased during the period | Sold during the period | As at March 31, 2023 | | Total market value of investments | Net assets of the Fund | |
| Rupees in 000 ----- % ----- | | | | | | | | |
| REFINERY | | | | | | | | |
| Attock Refinery Limited | 43,700 | 192,772 | 38,100 | 198,372 | 33,773 | 5.00 | 4.64 | 0.19 |
| Cnergyco PK Limited. | 2,686,500 | - | 2,686,500 | - | - | - | - | - |
| National Refinery Limited | 27,400 | 1,400 | 28,800 | - | - | - | - | - |
| | | | | | 33,773 | 5.00 | 4.64 | |
| OIL & GAS EXPLORATION COMPANIES | | | | | | | | |
| Mari Petroleum Company Limited | 77,013 | 31,719 | 13,750 | 94,982 | 143,736 | 20.00 | 19.73 | 0.07 |
| Oil & Gas Development Company Limited | 1,569,300 | 360,000 | 280,000 | 1,649,300 | 137,486 | 19.00 | 18.87 | 0.04 |
| Pakistan Oilfields Limited | 325,741 | 125,800 | 153,070 | 298,471 | 119,057 | 17.00 | 16.34 | 0.11 |
| Pakistan Petroleum Limited | 1,483,096 | 884,500 | 302,700 | 2,064,896 | 132,071 | 18.00 | 18.13 | 0.08 |
| | | | | | 532,350 | 74.00 | 73.07 | |
| OIL & GAS MARKETING COMPANIES | | | | | | | | |
| Attock Petroleum Limited | 98,300 | - | 107,321 | 9,104 | 2,673 | - | 0.37 | 0.01 |
| Hascol Petroleum Limited | - | - | - | - | - | - | - | - |
| Hi-Tech Lubricants Limited | 119,640 | - | 97,500 | 22,140 | 523 | - | 0.07 | 0.02 |
| Pakistan State Oil Company Limited | 319,859 | 137,900 | 235,529 | 222,230 | 26,199 | 4.00 | 3.60 | 0.05 |
| Shell Pakistan Limited | 13,000 | 6,000 | 16,000 | 3,000 | 235 | - | 0.03 | 0.00 |
| Sui Northern Gas Pipelines Limited | 168,700 | 196,000 | 113,500 | 251,200 | 9,819 | 1.00 | 1.35 | 0.04 |
| | | | | | 39,449 | 5.00 | 5.41 | |
| POWER GENERATION & DISTRIBUTION | | | | | | | | |
| K-Electric Limited | | 2,431,000 | - | 2,431,000 | 5,031 | 1.00 | 0.69 | 0.01 |
| Lalpir Power Limited | 153,500 | - | - | 153,500 | 2,435 | - | 0.33 | 0.04 |
| The Hub Power Company Limited | 1,227,229 | 962,646 | 655,500 | 1,534,375 | 103,616 | 15.00 | 14.22 | 0.00 |
| | | | | | 111,082 | 16.00 | 15.25 | |
| Total as at March 31, 2023 | | | | | 716,654 | 100.00 | 98.36 | |
| Carrying value as at March 31, 2023 | | | | | 740,504 | | | |
| Market value as at June 30, 2022 | | | | | 702,917 | | | |
| Carrying value as at June 30, 2022 | | | | | 778,224 | | | |

4.2 Investments include shares with market value amounting to Rs 67.651 million (June 30, 2022: Rs 74.366 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 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

6 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.

7 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.

8 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.63% (March 31, 2022: 4.55%) which includes 0.24% (March 31, 2022: 0.24%) 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".

9 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

9.1 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, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, Funds under management of 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.

9.2 Transactions with related parties / connected persons 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.

9.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the Trust Deed and Offering Document.

| | | ------(Un-Audited)----- | |
|------------|--------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|
| | | Nine month ended March 31, 2023 | Nine month ended March 31, 2022 |
| | | -----Rs. In '000----- | |
| 9.4 | Details of transactions with connected persons are as follows: | | |
| | NBP Fund Management Limited - Management Company | | |
| | Remuneration of the Management Company | 7,710 | 8,782 |
| | Sindh sales tax on remuneration of the Management Company | 1,002 | 1,142 |
| | Reimbursement of allocated expenses | 1,028 | 1,140 |
| | Sales Load and transfer load charged | 171 | 97 |
| | Sindh Sales Tax on sales load | 22 | 13 |
| | Reimbursement of Selling and marketing expenses | 10,537 | 11,906 |
| | ADC Share charges including SST | - | 3 |
| | Central Depository Company of Pakistan Limited - Trustee | | |
| | Remuneration | 1,028 | 1,171 |
| | Sindh sales tax on remuneration of Trustee | 134 | 152 |
| | CDS charges | 61 | - |
| | Employees of the Management Company | | |
| | Units Issued / transferred in 8,251,354 units (2022: 7,446,769 units) | 75,383 | 68,115 |
| | Units redeemed / transferred out 7,461,819 units (2022: 6,907,656 units) | 67,663 | 63,197 |
| | Humayun Bashir - Director* | | |
| | Units Issued / transferred in Nil units (2022: Nil units) | - | - |
| | Units redeemed / transferred out Nil units (2022: 1,088,937 units) | - | 9,481 |
| | Farida Ali Asghar (More than 10% Shareholding) | | |
| | Units Redeemed : Nil Units (2022: 20,228,242 units) | - | 188,222 |
| | Units Issued : Nil Units (2022: 20,228,242 units) | - | 188,222 |
| | Portfolios Managed by Management Company* | | |
| | Units Issued: Nil Units (2022: 4,192,213 units) | - | 40,000 |
| | Units redeemed: Nil Units (2022: 4,192,213 units) | - | 38,915 |
| | BankIslami Pakistan Limited (Common Directorship) | | |
| | Profit on bank deposits | 2,254 | 899 |
| | Taurus Securities Limited (Common Directorship) | | |
| | Brokerage expense | 60 | 41 |
| | National Clearing Company of Pakistan Limited* | | |
| | NCCPL charges | - | 249 |
| | K-Electric Limited (Common Directorship)** | | |
| | Shares Purchased: 2,431,000 (2022: Nil) | 6,828 | - |
| 9.5 | Amounts / balances outstanding as at period end: | (Un-Audited) March 31, 2023 | (Audited) June 30, 2022 |
| | | -----Rs. In '000----- | |
| | NBP Fund Management Limited - Management Company | | |
| | Management remuneration payable | 957 | 872 |
| | Sindh sales tax on remuneration | 124 | 113 |
| | Federal excise duty on remuneration | 583 | 583 |
| | Reimbursement of allocated expenses payable | 353 | 363 |
| | Sales load and transfer load payable | 662 | 492 |
| | Sindh sales tax on front end load | 107 | 85 |

| | (Un-Audited) March 31, 2023 | (Audited) June 30, 2022 |
|-----------------------------------------------------------------|-----------------------------------|-------------------------------|
| | -----Rs. In '000----- | |
| Federal excise duty on front end load | 1,501 | 1,501 |
| Reimbursement of Selling and marketing expenses | 3,616 | 3,724 |
| ADC Share charges payable to AMC | 2 | 5 |
| Other payable | 16 | 16 |
| Employees of the Management Company | | |
| Units held 1,803,796 units (June 30, 2022: 1,014,255 units) | 16,748 | 8,949 |
| Farida Ali Asghar (More than 10% Shareholding) | | |
| Units held: 20,228,242 Units (June 30,2022: 20,228,241 Units) | 187,811 | 178,486 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee fee | 128 | 116 |
| Sindh Sales Tax on the remuneration of trustee | 16 | 15 |
| Security deposit | 100 | 100 |
| BankIslami Pakistan Limited (Common Directorship) | | |
| Bank Balances | 15,896 | 20,973 |
| Profit receivable | 326 | 105 |
| National Bank of Pakistan (Parent Company) | | |
| Bank Balances | 94 | 103 |
| National Clearing Company of Pakistan Limited* | | |
| NCCPL charges payable | - | 55 |
| Security deposit | - | 2,500 |
| Portfolios Managed by Management Company* | | |
| Units held Nil units (June 30, 2022: 352,267 units) | - | 3,108 |
| Taurus Securities Limited - Subsidiary of Parent Company | | |
| Brokerage payable | 21 | 19 |
| K-Electric Limited (Common Directorship)** | | |
| Shares held: 2,431,000 (2022: Nil) | 5,031 | - |

* 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, 2023

** Prior year comparative has not been presented as the person was not related party / connected person of the fund as at June 30, 2022

10 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.

10.1 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).

11 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 29, 2023.

12 GENERAL

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

12.2 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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