

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



اسلامک سیونرز

Islamic Savings

NBP Fund Management Limited



NBP ISLAMIC MAHANA AMDANI 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 Shahra-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 unaudited financial statements of **NBP Islamic Mahana Amdani Fund (NIMAF)** for the period ended March 31, 2023.

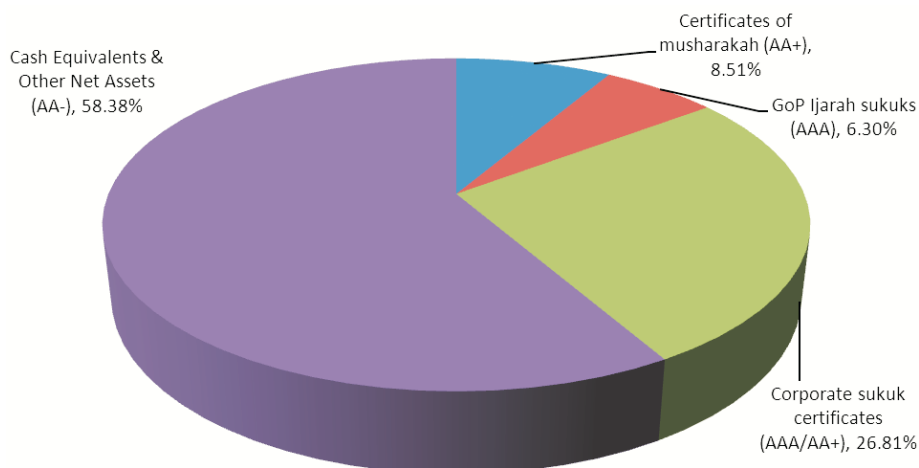
Fund's Performance

The market witnessed issuance of a decent size of corporate sukuk to meet the increasing funding need for fixed capital investments and working capital, respectively. While the trading activity in corporate sukuk improved with traded value of around Rs. 4.9 billion compared to Rs. 3.2 billion during the same period last year, the overall activity remained less than encouraging. During 9MFY23, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings and increased the Policy Rate by 6.25% to 20%. Various stringent administrative measures were taken, however, near-term risks to inflation outlook from external and fiscal adjustments persisted. The CPI inflation averaging at 27.3% YoY coupled with a decline in financial inflows, rising global interest rates and domestic uncertainties, continued to exert pressure on FX reserves and led to significant deterioration in exchange rate. The net liquid foreign exchange reserves with SBP stands at only USD 4.2 billion at March end, posing serious challenges and persistent risks to the financial stability & fiscal consolidation. Sovereign yields also responded to these policy actions and to the rising inflation & interest rate outlook.

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 decreased from Rs. 10,365 million to Rs. 9,448 million during the period (a decrease of 9%). During the period, the unit price of the Fund has increased from Rs. 10.0598 on June 30, 2022 to Rs. 11.1262 on March 31, 2023, thus showing return of 14.1% as compared to the benchmark return of 5.8% for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 1,159.026 million during the period. After deducting total expenses of Rs. 121.426 million, the net income is Rs. 1,037.600 million. The chart below 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: April 29, 2023
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لیمیٹڈ کے بورڈ آف ڈائریکٹرز بھد مسرت 31 مارچ 2023ء کو ختم ہونے والی نو ماہی کے لئے NBP اسلامک ماہانہ آمدنی فنڈ (NIMAF) کے فیہر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

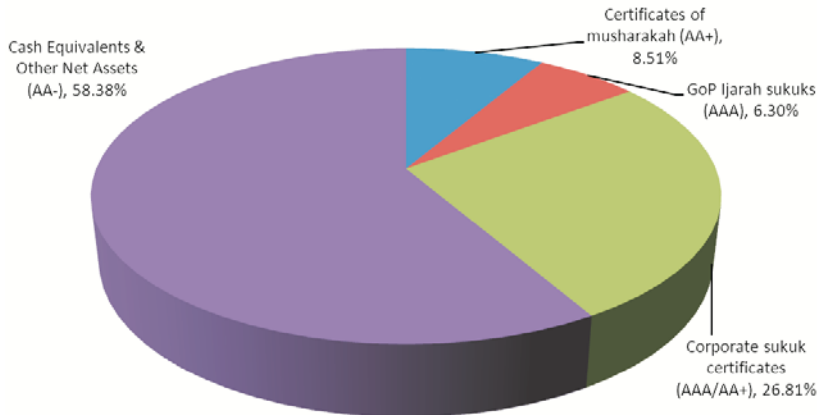
فنڈ کی کارکردگی

مارکیٹ نے بالترتیب فیکسڈ کیپیٹل انویسٹمنٹ اور ورکنگ کیپیٹل کی بڑھتی ہوئی فنڈنگ کی ضروریات کو پورا کرنے کے لیے کارپوریٹ سکوک کے معقول سائز کا اجراء دیکھا۔ جبکہ کارپوریٹ سکوک میں تجارتی سرگرمیوں میں گزشتہ سال کی اسی مدت کے دوران 3.2 بلین روپے کے مقابلے میں تقریباً 4.9 بلین روپے کی تجارتی قیمت میں بہتری آئی، مجموعی سرگرمی حوصلہ افزا نہیں رہی۔ 9MFY23 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چھ اجلاس منعقد کیے اور پالیسی کی شرح میں 6.25 فیصد سے 20 فیصد تک کا اضافہ کیا۔ مختلف سخت انتظامی اقدامات اٹھائے گئے، تاہم، بیرونی اور مالیاتی مطابقت کے باعث افراط زر کے نقطہ نظر سے قلیل مدت کے خطرات برقرار رہے۔ مالیاتی بہاؤ میں کمی، بڑھتی ہوئی عالمی شرح سود اور مقامی غیر یقینی صورتحال کے ساتھ ساتھ 27.3 فیصد سالانہ اوسط CPI افراط زر نے FX ذخائر پر دباؤ ڈالنا جاری رکھا اور شرح مبادلہ میں نمایاں گراؤ کا باعث بنی۔ SBP کے پاس خالص لیکویڈ غیر ملکی زرمبادلہ کے ذخائر مارچ کے آخر میں صرف 4.2 بلین امریکی ڈالر رہ گئے، جو مالیاتی اور مالی استحکام کے لیے سنگین چیلنجز اور مستقل خطرات کا باعث ہیں۔ حکومتی شرح منافع نے بھی ان پالیسی اقدامات اور بڑھتی ہوئی افراط زر اور شرح سود کے نقطہ نظر کا اثر لیا۔

NIMAF شریعت کے مطابق اہل فنڈ کے طور پر درجہ بندی کیا جاتا ہے۔ فنڈ کا مقصد شریعتی مطابقت پذیر منی 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 شناختی / روایتی بینکوں کی وٹڈ 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 سیکیورٹیز کے علاوہ 4 سال سے زائد نہیں ہے۔

موجودہ مدت کے دوران NBP اسلامک ماہانہ آمدنی فنڈ کا سائز 10,365 ملین روپے سے کم ہو کر 9,448 ملین روپے ہو گیا ہے یعنی 9% کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 10.0598 روپے (EX-Div) سے بڑھ کر 31 مارچ 2023 کو 11.1262 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک 5.8% کے مقابلے میں 14.1% منافع درج کیا۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے مدت کے دوران 1,159.026 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 121.426 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1,037.600 ملین روپے ہے۔ درج ذیل چارٹ NIMAF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیکائش 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 فونڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 اپریل 2023

مقام: کراچی

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

		(Un-Audited)	(Audited)
		March 31, 2023	June 30, 2022
Note	(Rupees in '000)		
Assets			
Bank balances	4	5,325,201	5,027,270
Investments	5	3,931,834	6,236,068
Profit receivable		271,029	200,751
Preliminary expenses and floatation costs		103	254
Receivable against transfer of units		-	17,245
Deposits, prepayments and other receivables		3,089	3,008
Total assets		9,531,256	11,484,596
Liabilities			
Payable to NBP Fund Management Limited - Management Company		47,853	40,558
Payable to Central Depository Company of Pakistan Limited - Trustee		731	800
Payable to Securities and Exchange Commission of Pakistan		1,549	2,577
Payable against redemption of units		19,029	28,963
Payable against purchase of investments		-	901,429
Accrued expenses and other liabilities		13,941	145,293
Total liabilities		83,103	1,119,620
Net assets		9,448,153	10,364,976
Unit holders' funds (As per Statement attached)		9,448,153	10,364,976
Contingencies and commitments	6		
		(Number of units)	
Number of units in issue		849,183,375	1,030,332,335
		(Rupees)	
Net asset value per unit		11.1262	10.0598

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

Note	Nine Months Period Ended		Quarter Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Income				
Income on sukuk certificates	465,543	300,825	147,468	113,493
Income on Islamic commercial papers	3,977	88,481	-	34,177
Income on term deposit receipts	-	22,394	-	-
Income on bai muajjal certificate	-	11,108	-	6,521
Income on certificates of musharakah	141,331	69,350	41,958	27,866
Profit on bank balances	573,021	350,765	227,073	121,088
	1,183,872	842,923	416,499	303,145
Gain / (loss) on sale of investments - net	1,487	(12,016)	1,350	(2,777)
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss - net	(26,333)	2,331	(17,593)	(11,305)
	(24,846)	(9,685)	(16,243)	(14,082)
Total income	1,159,026	833,238	400,256	289,063
Expenses				
Remuneration of the Management Company	16,704	20,641	5,848	6,262
Sindh Sales Tax on remuneration of the Management Company	2,172	2,683	761	814
Reimbursement of allocated expenses	9,788	12,469	3,355	3,877
Reimbursement of selling and marketing expenses	81,562	83,348	27,525	28,330
Remuneration of the Trustee	5,809	7,481	1,949	2,326
Sindh sales tax on remuneration of the Trustee	755	973	253	303
Annual fees to the Securities and Exchange Commission of Pakistan	1,549	1,995	520	620
Amortisation of preliminary expenses and floatation costs	151	151	50	50
Securities transaction cost	63	39	37	33
Settlement and bank charges	546	466	45	123
Auditors' remuneration	588	510	180	109
Annual rating fee	176	155	58	51
Shariah advisor fee	1,307	1,402	426	466
Annual listing fee	21	21	7	7
Printing charges	96	53	32	16
Legal and professional charges	139	325	47	54
Total expenses	121,426	132,712	41,093	43,441
Net income from operating activities	1,037,600	700,526	359,163	245,622
Reversal of / (provision against) Sindh Workers' Welfare Fund - net	-	66,854	-	-
Net income for the period before taxation	1,037,600	767,380	359,163	245,622
Taxation	-	-	-	-
Net income for the period after taxation	1,037,600	767,380	359,163	245,622
Allocation of Net income for the period:				
Net income for the period	1,037,600	767,380	359,163	245,622
Income already paid on units redeemed	(271,677)	(183,315)	(152,190)	(82,975)
	765,923	584,065	206,973	162,647
Accounting Income available for distribution:				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	765,923	584,065	206,973	162,647
	765,923	584,065	206,973	162,647

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Nine Months Period Ended		Quarter Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees in '000'			
Net income for the period after taxation	1,037,600	767,380	359,163	245,622
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,037,600</u>	<u>767,380</u>	<u>359,163</u>	<u>245,622</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

Note	Nine Months Period Ended					
	March 31, 2023			March 31, 2022		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total
	----- (Rupees in '000) -----					
Net Assets at beginning of the year	10,286,249	78,727	10,364,976	15,016,569	68,237	15,084,806
Issuance of 608,879,763 units (2022 : 828,228,071 units)						
- Capital value	6,125,209	-	6,125,209	8,323,112	-	8,323,112
- Element of Income	335,522	-	335,522	203,023	-	203,023
Total proceeds on issuance of units	6,460,731	-	6,460,731	8,526,135	-	8,526,135
Redemption of 790,028,723 units (2022 : 1,190,852,227 units)						
- Capital value	(7,947,531)	-	(7,947,531)	(11,967,231)	-	(11,967,231)
- Element of (Loss)	(195,946)	(271,677)	(467,623)	(105,732)	(183,315)	(289,047)
Total payments on redemption of units	(8,143,477)	(271,677)	(8,415,154)	(12,072,963)	(183,315)	(12,256,278)
Total comprehensive Income for the period	-	1,037,600	1,037,600	-	767,380	767,380
Net assets at end of the period	8,603,503	844,650	9,448,153	11,469,741	652,302	12,122,043
Undistributed Income brought forward						
- Realised income		74,265			55,951	
- Unrealised gain / (loss)		4,462			12,286	
		78,727			68,237	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		765,923			584,065	
		765,923			584,065	
Interim cash distribution		-			-	
Undistributed income carried forward		844,650			652,302	
Undistributed income carried forward						
- Realised Income		870,983			649,971	
- Unrealised (loss) / gain		(26,333)			2,331	
		844,650			652,302	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>10.0598</u>			<u>10.0493</u>
Net assets value per unit at end of the period			<u>11.1262</u>			<u>10.6477</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine Months Period Ended	
	March 31, 2023	March 31, 2022
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,037,600	767,380
Adjustments for:		
Reversal of / (provision against) Sindh Workers' Welfare Fund - net	-	(66,854)
Unrealised diminution / (appreciation) on re-measurement of investments at fair value through profit or loss - net	26,333	(2,331)
Amortisation of preliminary expenses and floatation costs	151	151
	1,064,084	698,346
Decrease in assets		
Investments	2,277,901	2,290,296
Profit receivable	(70,278)	(57,392)
Deposits, prepayments and other receivables	(81)	97
	2,207,542	2,233,001
(Decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	7,295	(4,546)
Payable to Central Depository Company of Pakistan Limited - Trustee	(69)	(305)
Payable to Securities and Exchange Commission of Pakistan	(1,028)	(1,719)
Payable against purchase of investments	(901,429)	(236,109)
Accrued expenses and other liabilities	(131,352)	(123,115)
	(1,026,583)	(365,794)
Net cash generated from operating activities	2,245,043	2,565,553
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	6,477,976	8,625,831
Net payments on redemption of units	(8,425,088)	(12,256,433)
Net cash (used in) financing activities	(1,947,112)	(3,630,602)
Net increase / (decrease) in cash and cash equivalents during the period	297,931	(1,065,049)
Cash and cash equivalents at the beginning of the period	5,027,270	7,268,163
Cash and cash equivalents at the end of the period	5,325,201	6,203,114

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

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 is 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 since 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 reaffirmed 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 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.

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

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

4	BANK BALANCES	Note	(Un-Audited)	(Audited)
			March 31, 2023	June 30, 2022
			Rupees in '000	
	Balances with banks			
	Savings accounts	4.1	5,271,324	4,981,707
	Current accounts	4.1	53,877	45,563
			<u>5,325,201</u>	<u>5,027,270</u>

4.1 These include a balance of Rs 54.233 million (2022: Rs 28.089 million) maintained with BankIslami Pakistan Limited (a related party) and balances of Rs 26.933 million (2022: Rs. 8.970 million) with National Bank of Pakistan (a related party) that carry profit at the rate of 18.00% (2022: 15.25%) per annum and 12.25% (2022: 12.25%) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 6.50% to 18.25% (2022: 6.50% to 16%) per annum.

5	INVESTMENTS	Note	(Un-Audited)	(Audited)
			March 31, 2023	June 30, 2022
			Rupees in '000	
At fair value through profit or loss				
	GoP Ijarah sukuk certificates	5.1	594,777	886,293
	Corporate sukuk certificates	5.2	2,532,852	3,863,190
	Islamic commercial papers		-	348,545
	Term deposit receipts		-	-
	Certificates of musharakah	5.3	804,205	1,138,040
			3,931,834	6,236,068

5.1 GoP Ijarah sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 01, 2022	Purchased during the period	Sales / redemptions during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets
			Number of certificates			(Rupees in '000)		Percentage		
GOP Ijarah sukuk XXI (Face value of Rs 100,000 per certificate)	May 29, 2025	Weighted average 6 months T-Bills	6,500	-	497	6,003	600,480	594,777	15.13	6.30
Total as at March 31, 2023							600,480	594,777		

5.2 Corporate sukuk certificates

Commercial banks

Meezan Bank Limited Sukuk	December 16, 2031	6 months KIBOR plus base rate of 0.35%	170	-	-	170	175,950	169,816	4.32	1.80
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POWER GENERATION AND DISTRIBUTION

Hub Power Holdings Limited	November 12, 2025	6 months KIBOR plus base rate of 2.5%	5,700	-	750	4,950	495,000	504,851	12.84	5.34
The Hub Power Company Limited	March 19, 2024	1 year KIBOR plus base rate of 1.90%	6,500	-	-	6,500	340,802	326,625	8.31	3.46
K-Electric Limited	August 3, 2027	3 months KIBOR plus base rate of 1.7%	83,300	-	-	83,300	383,680	381,560	9.70	4.04
Pakistan Energy Sukuk-II	May 21, 2030	6 months KIBOR minus base rate of 0.10%	230,000	-	-	230,000	1,158,050	1,150,000	29.25	12.17

Total as at March 31, 2023

2,553,482 **2,532,852**

5.3 Certificates of musharakah

Name of the security	Issue date	Profit rate (%) / Tenor	As at July 01, 2022	Purchased during the period	Matured during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets
						----- Rupees in '000 -----		----- Percentage -----		
First Habib Modarba	26-Jan-23	20.00 3 months	-	599,833	-	599,833	599,833	599,833	15.26	6.35
First Habib Modarba	20-Mar-23	20.00 3 months	-	104,371	-	104,371	104,371	104,371	2.65	1.10
OLP Modarba	22-Feb-23	20.78 3 months	-	100,000	-	100,000	100,000	100,000	2.54	1.06
Total as at March 31, 2023						804,204		804,204		

6 CONTINGENCIES AND COMMITMENTS

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

7 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 1.09% per annum of the net assets of the Fund.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2023 is 1.57% (March 31, 2022 : 1.33%) which includes 0.06% (March 31, 2022 : 0.06%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant income scheme'.

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 10.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 10.2** Transactions with 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 connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 10.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.5** Details of transactions with related parties / connected persons during the period are as follows:

	(Un-Audited)	
	Nine Months Period Ended	
	March 31, 2023	March 31, 2022
	Rupees in '000	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	16,704	20,641
Sindh Sales Tax on remuneration of the Management Company	2,172	2,683
Sales and transfer load including Sindh sales tax	16,218	19,200
Reimbursement of allocated expenses	9,788	12,469
Reimbursement of selling and marketing expenses	81,562	83,348
Amortisation of preliminary expenses and floatation costs	151	151
ADC charges including Sindh sales tax	2,784	2,194
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	5,809	7,481
Sindh sales tax on remuneration of Trustee	755	973
Settlement charges	182	102
Employees of NBP Fund Management Limited		
Units issued during the period - 9,028,292 units (2022: 14,175,385 units)	96,054	146,867
Units redeemed during the period - 10,335,123 units (2022: 14,658,904 units)	109,807	151,628
Dr Amjad Waheed - Chief Executive Officer of the Management Company		
Units redeemed during the period - 591 units (2022: Nil)	6	-
Khalid Mehmood - Chief Financial Officer		
Units issued during the period - 28 units (2022: 274,470 units) *	-	2,800
Units redeemed during the period - Nil (2022: 212,648 units)	-	2,184

(Un-Audited)
Nine Months Period Ended

March 31, 2023	March 31, 2022
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Rupees in '000

Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary

Units issued - Nil (2022: 109,004 units)	-	1,136
Units redeemed - 1,160 units (2022: 208,668 units)	12	2,176

Fauji Fertilizer Company Limited - common directorship

Units redeemed during the period - 18 units (2022: Nil) *	-	-
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Portfolio managed by the Management Company

Units issued during the period - Nil (2022: 2,215 units)	-	22
Units redeemed during the period - 442,162 units (2022: 19,574,573 units)	4,756	205,125
Sell of Ijarah Sukuks	51,290	-

K-Electric Limited - common directorship **

Purchase of sukuk certificate	1,044,065	-
Sale of sukuk certificate	684,129	-
Profit of sukuk certificate	113,199	-

National Bank of Pakistan - Parent of the Management Company

Profit on bank deposits	191	79
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NBP Income Opportunity Fund

Purchase of sukuk certificates	-	88,362
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BankIslami Pakistan Limited - common directorship

Profit on bank deposits	27,667	8,044
Profit on term deposit receipts	-	14,530
Placement of term deposit receipts	-	1,703,062
Sale of GoP Ijarah Sukuks	-	262,095

* Nil due to rounding off

** Prior Period figure have not been presented as the person was not a related party / connected person of the Fund as at March 31, 2022.

Amounts / balances outstanding as at period end:

(Un- Audited)	(Audited)
March 31, 2023	June 30, 2022

Rupees in '000

NBP Fund Management Limited - the Management Company

Remuneration payable to the Management Company	2,019	1,906
Sindh Sales Tax payable on remuneration of the Management Company	262	248
Reimbursement of allocated expenses payable	3,355	3,635
Reimbursement of selling and marketing expenses payable	27,525	29,299
Sales load payable to management company	11,600	3,224
Transfer load payable	136	18
Sindh Sales Tax payable on sales load and transfer load	1,534	430
ADC charges payable including Sindh sales tax	1,342	1,718
Other payable to the Management Company	80	80

Employees of the Management Company

Units held 4,474,387 (2022: 5,524,230) units	49,783	55,573
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	(Un- Audited)	(Audited)
	March 31, 2023	June 30, 2022
	Rupees in '000	
Dr Amjad Waheed - The Chief Executive Officer of the Management Company		
Units held Nil (2022: 591) units	-	6
Muhammad Murtaza Ali - The Chief Operating Officer and the Company Secretary		
Units held 517 (2022: 1,676) units	6	17
Imran Zaffar - Director		
Units held 2,270 (2022: 2,270) units	25	23
Khalid Mehmood - Chief Financial Officer		
Units held 28 (June 30, 2021: Nil) units *	-	-
Portfolio managed by the Management Company		
Units held 647 (2022: 1,384) units	7	14
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable to the Trustee	647	708
Sindh sales tax on remuneration of the Trustee	84	92
Settlement charges payable	143	16
Security deposit	103	103
K-Electric Limited - - common directorship **		
Sukuk certificates	381,560	-
Profit receivable on sukuk certificates	11,479	-
BankIslami Pakistan Limited - common directorship		
Bank balances	54,233	28,090
Profit receivable on bank balances	4,591	209
National Bank of Pakistan - Parent of the Management Company		
Bank balances	26,933	8,970
Profit receivable on bank balances	38	13

* Nil due to rounding off

** Prior year figures have not been presented as the person was not classified as a related party / connected person of the Fund as at June 30, 2022.

12 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.

12.1 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).

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on April 29, 2023.

14 GENERAL

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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