

**NBP FUNDS**

Managing Your Savings

Aitemaad اعتماد



اسلامک سیونرز

Islamic Savings

**NBP Fund Management Limited**



# **NBP ISLAMIC SARMAYA IZAFI 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

Habib Bank Limited (Islamic)  
United Bank Limited (Ameen)  
Bank Al Habib Limited (Islamic)  
Meezan Bank Limited  
Bank Islami (Pakistan) Limited  
Sindh Bank Limited (Saadat)  
MCB Bank Limited (Islamic)  
Dubai Islamic Bank Limited  
Bank Alfalah Limited (Islamic)  
Soneri Bank Limited (Mustaqeem)  
Habib Metro Bank Limited (Islamic)  
Allied Bank Limited (Islamic)  
Silk Bank Limited (Emaan)  
National Bank of Pakistan  
JS Bank Limited  
Al Baraka Bank Pakistan 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](http://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 Sarmaya Izafa Fund (NISIF)** for the period ended March 31, 2023.

### Fund's Performance

The equity market performance during 9MFY23 remained muted, as the Benchmark KMI-30 Index increased by 572 points, translating into an increase of 0.8%. 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, though the current account deficit (CAD) was brought under control due to various administrative measures by the authorities, yet, this year, 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 massive 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 as acute supply disruptions & shortages put more pressure on prices. Average inflation clocked in at around 27.3% in 9MFY23 with highest ever monthly inflation 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 and weighed on investors' sentiments 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 market witnessed issuance of a decent size of corporate sukuks to meet the increasing funding need for fixed capital investments and working capital, respectively. While the trading activity in corporate sukuks 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..

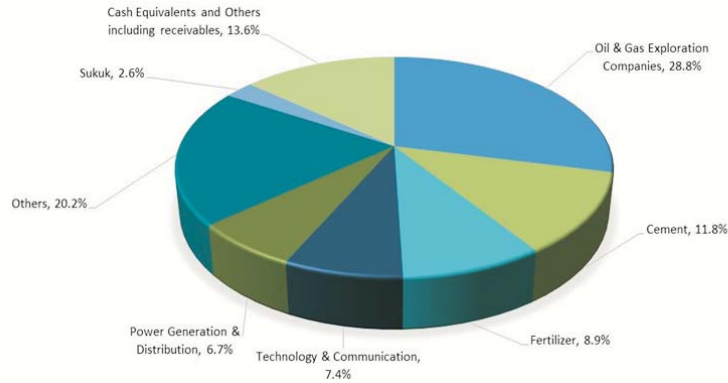
The size of NBP Islamic Sarmaya Izafa Fund has decreased from Rs. 3,102 million to Rs. 1,763 million during the period, i.e., a decrease of 43%. During the period, the unit price of NBP Islamic Sarmaya Izafa Fund has increased from Rs. 15.2302 on June 30, 2022 to Rs. 15.2974 on March 31, 2023, thus showing an increase of 0.4%. The Benchmark increase during the same period was 1.7%. Thus, the Fund has underperformed its Benchmark by 1.3% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.5318 (Ex-Div) on October 26, 2007 to Rs. 15.2974 on March 31, 2023, thus showing an increase of 333.1%. During the said period, the Benchmark increased by 206.8%, translating into outperformance of 126.3%. This performance is net of management fee and all other expenses.

# NBP Islamic Sarmaya Izafa Fund



The Fund has earned a total income of Rs. 103.70 million during the period. After deducting total expenses of Rs. 76.35 million, the net income is Rs. 27.35 million.

The asset allocation of the Fund as on March 31, 2023 is as follows:



## NISIF 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 فنڈز مینجمنٹ لمیٹڈ کے پورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2023ء کو ختم ہونے والی نو ماہی کے لئے NBP اسلامک سرمایہ اضافہ فنڈ (NISIF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

9MFY23 کے دوران ایکویٹی مارکیٹ کی کارکردگی سست رہی، کیونکہ بیچ مارک KMI-30 انڈیکس 572 پوائنٹس گر گیا، جس کے نتیجے میں 0.8 فیصد کمی واقع ہوئی۔ تاہم، اس عرصے کے دوران، مارکیٹ بہت اتار چڑھاؤ کا شکار رہی اور انڈیکس خوروں کے باعث دونوں اطراف گھومتا رہا۔

ستمبر اور دسمبر کے دوران لسڈ کمپنیوں کی طرف سے پیش کردہ مضبوط کارپوریٹ منافع سرمایہ کاروں کو بڑھ 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 قفل کا شکار ہوا اور بیرونی قوم 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 ہونے والے FX کے ذخائر کے ساتھ ساتھ پاکستانی روپیہ میں مارچ 23 کے آخر میں زبردست گراؤٹ (ایک امریکی ڈالر کے مقابلے میں 283.8 روپے یعنی 39 فیصد 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 کم 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 دباؤ 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 جانچا رہا انداز میں پالیسی ریٹ کو 13.75 فیصد سے بڑھا کر 20 فیصد کرنے پر آمادہ کیا۔ اس عرصہ کے دوران سیاسی غیر یقینی صورتحال کا بھی سامنا ہوا۔ 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۔

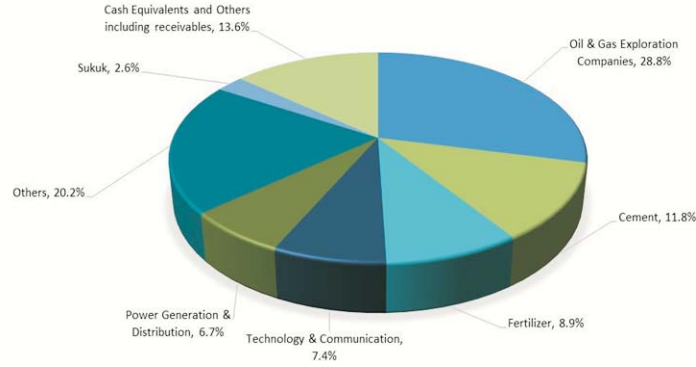
سیکٹرز اور کارکردگی کے لحاظ سے سینٹ، بینک، فریٹلائزر، آئل اینڈ گیس ایکویٹی ریٹن کمپنیاں، پاور جنریشن اینڈ ڈسٹری بیوٹن، شوگر اینڈ الیٹرانڈسٹریز، ٹیکسٹائل اور کیمیکل، اور ٹرانسپورٹ سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس، آٹو اسمبلرز، آٹو پارٹس اور ایئر لائنز، کیبل اور الیکٹریکل سامان، کیمیکل، انجینئرنگ، فوڈ اینڈ ڈریسٹری، گلاس اینڈ سیرامکس، انسٹورنل، لیڈر اینڈ ٹیکسٹائل، آئل اینڈ گیس مارکیٹنگ، پیپر 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 انسٹورنل نے اپنی خالص ہولڈنگ میں بالترتیب 111 بلین امریکی ڈالر اور 105 بلین امریکی ڈالر کی ظاہری۔

مارکیٹ نے بالترتیب فلیڈ سٹیٹس انویسٹمنٹ اور ورلڈ سٹیٹس 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 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 گراؤٹ 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۔

NBP اسلامک سرمایہ اضافہ فنڈ کا سائز اس مدت میں 3,102 بلین روپے سے کم ہو کر 1,763 بلین روپے ہو گیا، یعنی 43% کمی کی کمی ہوئی۔ اس مدت کے دوران، NBP اسلامک سرمایہ اضافہ فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 15.2302 روپے سے بڑھ کر 31 مارچ 2023 کو 15.2974 روپے ہو گئی، لہذا 0.4% کا اضافہ ظاہر کیا۔ اسی مدت کے دوران بیچ مارک بڑھ کر 1.7% ہو گیا تھا۔ لہذا فنڈ کی کارکردگی زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 1.3% بہتر رہی۔ اپنے قیام کے بعد 26 اکتوبر 2007 سے فنڈ کا NAV 3.5318 روپے (EX-Div) سے بڑھ کر 31 مارچ 2023 کو 15.2974 روپے ہو گیا، یعنی 333.1% کا اضافہ ہوا۔ اس مدت کے دوران بیچ مارک 206.8% سے بڑھا۔ لہذا فنڈ نے 126.3% کی بہتر کارکردگی دکھائی۔ یہ کارکردگی ہیٹجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔



NBP اسلامک سرمایہ اضافہ فنڈ کو اس مدت کے دوران 103.70 ملین روپے کی مجموعی آمدنی ہوئی۔ 76.35 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 27.35 ملین روپے ہے۔  
31 مارچ 2023 کو فنڈ کی ایسٹ ایلیکیشن درج ذیل ہے:



NISIF کی کارکردگی بمقابلہ 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 پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایڈیٹس 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 ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز  
NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 اپریل 2023

مقام: کراچی

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

	(Un-Audited) March 31, 2023	(Audited) June 30, 2022
Note	----- Rupees in '000 -----	
<b>ASSETS</b>		
Balances with banks	269,821	347,525
Investments	1,522,923	2,794,958
Profit accrued and dividend receivable	22,719	16,635
Receivable against sale of investment	13,626	5,782
Receivable against transfer of units	1,430	6,819
Advances, deposits, prepayments and other receivables	6,549	6,424
<b>Total assets</b>	<b>1,837,068</b>	<b>3,178,143</b>
<b>LIABILITIES</b>		
Payable to NBP Fund Management Limited - Management Company	50,175	37,730
Payable to Central Depository Company of Pakistan Limited - Trustee	278	383
Payable to the Securities and Exchange Commission of Pakistan	370	905
Payable against redemption of units	5,776	5,447
Accrued expenses and other liabilities	17,363	31,340
<b>Total liabilities</b>	<b>73,962</b>	<b>75,805</b>
<b>NET ASSETS</b>	<b>1,763,106</b>	<b>3,102,338</b>
<b>Unit holders' funds (As per statement attached)</b>	<b>1,763,106</b>	<b>3,102,338</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>115,255,412</b>	<b>203,696,124</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>NET ASSET VALUE PER UNIT</b>	<b>15.2974</b>	<b>15.2302</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

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

Note	Nine months Ended		Quarter Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
------(Rupees in '000)-----				
<b>INCOME</b>				
(Loss) / on sale of investments - net	(26,421)	(14,162)	(28,473)	8,676
Income from sukuk bonds	27,016	30,772	4,702	9,740
Profit on bank deposits	32,088	28,540	10,893	9,685
Dividend income	131,570	219,730	33,572	75,836
Unrealised (diminution) / appreciation on revaluation of investments carried at fair value through profit or loss - net	(60,552)	(243,055)	10,119	(75,877)
<b>Total Income</b>	<b>103,701</b>	<b>21,825</b>	<b>30,813</b>	<b>28,060</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	37,051	58,316	9,855	19,452
Sindh sales tax on Management Fee	4,817	7,581	1,282	2,529
Remuneration of the Trustee	2,603	4,415	739	1,320
Sindh sales tax on remuneration of Trustee	338	574	96	172
Annual fee - Securities and Exchange Commission of Pakistan	371	733	303	303
Reimbursement of Operational Expenses of Management Company	3,706	7,135	986	2,146
Securities transaction cost	1,809	2,040	658	728
Shariah advisor fee	263	627	45	262
Settlement and bank charges	274	499	(100)	31
Annual listing fee	21	21	7	7
Auditors' remuneration	566	507	186	135
Fund rating fee	205	199	67	64
Legal and professional charges	110	423	36	180
Reimbursement of Selling & Marketing Expenses	24,083	62,187	6,406	15,956
Printing charges	137	42	236	208
<b>Total Expenses</b>	<b>76,354</b>	<b>145,299</b>	<b>20,802</b>	<b>43,493</b>
<b>Net gain / (loss) from operating act</b>	<b>27,347</b>	<b>(123,474)</b>	<b>10,011</b>	<b>(15,433)</b>
Reversal for Sindh Workers' Welfare Fund	5	-	89,944	-
<b>Net gain / (loss) for the period before taxation</b>	<b>27,347</b>	<b>(33,530)</b>	<b>10,011</b>	<b>(15,433)</b>
Taxation	8	-	-	-
<b>Net gain / (loss) for the period after ta:</b>	<b>27,347</b>	<b>(33,530)</b>	<b>10,011</b>	<b>(15,433)</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	27,347	-	-	-
Income already paid on units redeemed	(10,578)	-	-	-
	<b>16,769</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accounting income available for distribution:</b>				
Relating to capital gain	-	-	-	-
Excluding capital gain	16,769	-	-	-
	<b>16,769</b>	<b>-</b>	<b>-</b>	<b>-</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

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

	Nine months Ended		Quarter Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in '000)		(Rupees in '000)	
Net income / (loss) for the period after taxation	27,347	(33,530)	10,011	(15,433)
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to the income statement	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>27,347</b>	<b>(33,530)</b>	<b>10,011</b>	<b>(15,433)</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



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

	<u>Nine months Ended</u>	
	March 31, 2023	March 31, 2022
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (gain) / loss for the period before taxation	27,347	(33,530)
<b>Adjustments</b>		
Unrealised diminution on investments at fair value through profit or loss - net	60,552	243,055
Capital loss on sale of investments - net	26,421	14,162
Provision for Sindh Workers' Welfare Fund	-	(89,944)
	<u>114,320</u>	<u>133,743</u>
<b>Decrease in assets</b>		
Receivable against sale of investments	(7,844)	(17,083)
Investments	1,185,062	1,176,992
Dividend and profit receivable	(6,084)	(4,107)
Advances, deposits, prepayments and other receivable	(125)	32,614
	<u>1,171,009</u>	<u>1,188,416</u>
<b>(decrease) in liabilities</b>		
Payable to the Management Company	12,445	(17,650)
Payable to the Trustee	(105)	(145)
Payable to Securities and Exchange Commission of Pakistan	(535)	(433)
Payable against purchase of investments	-	(2,226)
Accrued expenses and other liabilities	(13,977)	(40,296)
	<u>(2,172)</u>	<u>(60,750)</u>
<b>Net cash generated from operating activities</b>	<u>1,283,157</u>	<u>1,261,409</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	239,893	1,017,708
Payments on redemption of units	(1,600,754)	(2,468,058)
<b>Net cash (used in) financing activities</b>	<u>(1,360,861)</u>	<u>(1,450,350)</u>
<b>Net decrease in cash and cash equivalents during the period</b>	<u>(77,704)</u>	<u>(188,941)</u>
Cash and cash equivalents at the beginning of the period	347,525	673,761
<b>Cash and cash equivalents at the end of the period</b>	<u>269,821</u>	<u>484,820</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

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

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Sarmaya Izafa 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 August 17 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules). The Trust Deed was amended through supplemental trust deed executed on February 19, 2019 for the change of name and categorization of the Fund as a shariah compliant asset allocation scheme.

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.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

The Fund is an open-ended mutual fund and categorised as an Islamic asset allocation scheme and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to generate income by investing in shariah compliant equity and equity related securities and income by investing in shariah compliant bank deposits, debt and money market securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company on August 22, 2022 and has assigned performance ranking of 3-star to the Fund on February 10, 2023.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as 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 VIII A 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 declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at and for the period ended March 31, 2023.

These condensed interim financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

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.

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
<b>3</b>	<b>Bank Balances</b>	<b>Note</b>	<b>(Rupees in '000)</b>
	<b>Bank Balances</b>		
	Current Accounts	10,331	23,466
	Saving Accounts	3.1 259,490	324,059
		269,821	347,525

3.1 These accounts of the Fund carry profit rates ranging from 9% to 18.18% (2021: 6.50% to 16%) per annum.

## 4 INVESTMENTS

### Financial assets at fair value through profit or loss

Listed equity securities	4.1	1,477,581	2,455,403
Sukuks	4.2	45,342	339,555
		1,522,923	2,794,958

## 4.1 Listed equity securities

Name of the investee company	As at July 01, 2022	Acquired during the period	Bonus / right issue	Sold during the period	As at March 31, 2023	Market value as at March 31, 2023	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee company
Number of shares					Rupees in '000		%		
All shares have a nominal face value of Rs. 10 each except for shares of Thal limited and Synthetic Products Limited Limited. which have a face value of Rs. 5.									
<b>OIL AND GAS MARKETING COMPANIES</b>									
Attock Petroleum Limited	101,680	-	12,800	114,480	-	-	-	-	-
Pakistan State Oil Company Limited	511,771	11,200	-	229,920	293,051	34,548	1.96	2.27	0.06
Hascol Petroleum Limited	3,424	-	-	-	3,424	20	-	0.00	-
	<b>616,875</b>	<b>11,200</b>	<b>12,800</b>	<b>344,400</b>	<b>296,475</b>	<b>34,568</b>	<b>1.96</b>	<b>2.27</b>	
<b>OIL AND GAS EXPLORATION COMPANIES</b>									
Oil and Gas Development Company Limited	2,726,000	42,300	-	675,100	2,093,200	174,489	9.90	11.46	0.05
Pakistan Oilfields Limited (5.1.1)	134,830	3,600	-	73,600	64,830	25,860	1.47	1.70	0.02
Pakistan Petroleum Limited (5.1.1)	2,492,480	180,000	-	457,500	2,214,980	141,670	8.04	9.30	0.08
Mari Petroleum Company Limited	138,077	-	-	28,990	109,087	165,082	9.36	10.84	0.08
	<b>5,491,387</b>	<b>225,900</b>	<b>-</b>	<b>1,235,190</b>	<b>4,482,097</b>	<b>507,101</b>	<b>28.76</b>	<b>33.30</b>	
<b>CHEMICALS</b>									
Lucky Core Industries Limited	30,050	-	-	15,503	14,547	7,722	0.44	0.51	0.02
Engro Polymer & Chemicals Limited	946,715	15,000	-	797,138	164,577	7,699	0.44	0.51	0.02
	<b>976,765</b>	<b>15,000</b>	<b>-</b>	<b>812,641</b>	<b>179,124</b>	<b>15,421</b>	<b>0.87</b>	<b>1.01</b>	
<b>PAPERS AND BOARD</b>									
Roshan Packages Limited	199,500	-	-	199,500	-	-	-	-	-
	<b>199,500</b>	<b>-</b>	<b>-</b>	<b>199,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>FOOD AND PERSONAL CARE PRODUCTS</b>									
Al Shaheer Corporation Limited (Refer 6.1.2)	11,788	-	-	-	11,788	112	-	0.01	0.01
	<b>11,788</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,788</b>	<b>112</b>	<b>-</b>	<b>0.01</b>	
<b>ENGINEERING</b>									
Mughal Iron And Steel Industries Limited	1,476,588	-	-	496,889	979,699	48,133	2.73	3.16	0.39
	<b>1,476,588</b>	<b>-</b>	<b>-</b>	<b>496,889</b>	<b>979,699</b>	<b>48,133</b>	<b>2.73</b>	<b>3.16</b>	
<b>CEMENT</b>									
Lucky Cement Limited	324,895	3,500	-	182,274	146,121	58,805	3.34	3.86	0.05
Maple Leaf Cement Factory Limited	226,483	97,800	-	243,983	80,300	2,086	0.12	0.14	0.01
Attock Cement Pakistan Limited	89,100	-	-	-	89,100	5,120	0.29	0.34	0.06
Kohat Cement Company Limited	1,121,010	2,390	-	126,893	996,507	138,943	7.88	9.12	0.50
Fauji Cement Company Limited	1,927,000	32,000	208,000	2,167,000	-	-	-	-	-
FECTO Cement Limited	239,200	-	-	8,500	230,700	3,892	0.22	0.26	0.46
	<b>3,927,688</b>	<b>135,690</b>	<b>208,000</b>	<b>2,728,650</b>	<b>1,542,728</b>	<b>208,846</b>	<b>11.85</b>	<b>13.71</b>	
<b>TRANSPORT</b>									
Pakistan International Bulk	1,659,000	-	-	1,659,000	-	-	-	-	-
Pakistan National Shipping Corporation	-	135,000	-	1,700	133,300	12,935	0.73	0.85	0.10
	<b>1,659,000</b>	<b>135,000</b>	<b>-</b>	<b>1,660,700</b>	<b>133,300</b>	<b>12,935</b>	<b>0.73</b>	<b>0.85</b>	
<b>TEXTILE COMPOSITE</b>									
Nishat Mills Limited	601,700	-	-	348,900	252,800	13,302	0.75	0.87	0.07
Kohinoor Textile Mills Limited	1,071,380	-	-	86,500	984,880	51,618	2.93	3.39	0.33
Interloop Limited	603,886	-	3,823	607,709	-	-	-	-	-
Synthetic Products Limited	590	-	-	590	7	7	-	0.00	-
	<b>2,277,556</b>	<b>-</b>	<b>3,823</b>	<b>1,043,109</b>	<b>1,238,270</b>	<b>64,927</b>	<b>3.68</b>	<b>4.26</b>	

# NBP Islamic Sarmaya Izafa Fund



Name of the investee company	As at July 01, 2022	Acquired during the period	Bonus / right issue	Sold during the period	As at March 31, 2023	Market value as at March 31, 2023	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee company
	Number of shares					Rupees in '000	%		
<b>FERTILIZER</b>									
Engro Corporation Limited (5.1.1)	844,276	2,000	-	302,499	543,777	150,507	8.54	9.88	0.09
Fauji Fertilizer Bin Qasim Limited	24,000	-	-	24,000	-	-	-	-	-
Engro Fertilizers Limited	-	68,500	-	-	68,500	5,810	0.33	0.38	-
	<b>868,276</b>	<b>70,500</b>	<b>-</b>	<b>326,499</b>	<b>612,277</b>	<b>156,317</b>	<b>8.54</b>	<b>9.88</b>	
<b>POWER GENERATION AND DISTRIBUTION</b>									
The Hub Power Company Limited (6.1.1)	3,114,245	40,000	-	1,451,401	1,702,844	114,993	6.52	7.55	0.13
Lalpir Power Limited	370,000	-	-	136,500	233,500	3,703	0.21	0.24	0.06
	<b>3,484,245</b>	<b>40,000</b>	<b>-</b>	<b>1,587,901</b>	<b>1,936,344</b>	<b>118,696</b>	<b>6.73</b>	<b>7.79</b>	
<b>COMMERCIAL BANKS</b>									
Meezan Bank Limited (Refer 6.1.2)	1,429,380	-	118,280	424,888	1,122,772	106,889	6.06	7.02	0.09
	<b>1,429,380</b>	<b>-</b>	<b>118,280</b>	<b>424,888</b>	<b>1,122,772</b>	<b>106,889</b>	<b>6.06</b>	<b>7.02</b>	
<b>AUTOMOBILE ASSEMBLER</b>									
Milati Tractors Limited	29,030	-	1,857	30,887	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	23,379	-	-	23,379	-	-	-	-	-
	<b>52,409</b>	<b>-</b>	<b>1,857</b>	<b>54,266</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>									
Baluchistan Wheels Limited	234,500	-	-	36,000	198,500	13,855	0.79	0.91	1.49
Thal Limited	1	-	-	-	1	-	-	-	-
Panther tyres ltd	514,600	-	-	395,500	119,100	2,275	0.13	0.15	0.07
Agriautos Industries Co. Ltd.	1,400	-	350	-	1,750	106	-	0.01	0.01
	<b>750,501</b>	<b>-</b>	<b>350</b>	<b>431,500</b>	<b>319,351</b>	<b>16,236</b>	<b>0.91</b>	<b>1.07</b>	
<b>PHARMACEUTICALS</b>									
Haleon Pakistan Limited(Formerly GSKCH Pak Ltd)	6,700	-	-	5,700	1,000	131	0.01	0.01	-
IBL HealthCare Limited	91,000	-	6,700	55,000	42,700	1,452	0.08	0.10	0.07
Abbott Laboratories Pakistan Limited	19,000	-	-	3,850	15,150	6,261	0.36	0.41	0.02
The Searle Company Limited	305,949	-	73,137	165,700	213,386	10,985	0.62	0.72	0.07
AGP Limited	89,200	-	-	43,894	45,306	2,456	0.14	0.16	0.02
Citi Pharma Limited	296,216	-	-	156,400	139,816	3,575	0.20	0.23	0.06
	<b>808,065</b>	<b>-</b>	<b>79,837</b>	<b>430,544</b>	<b>457,358</b>	<b>24,860</b>	<b>1.41</b>	<b>1.63</b>	
<b>TECHNOLOGY AND COMMUNICATION</b>									
Avanceon Limited	17,903	-	-	-	17,903	1,146	0.06	0.08	0.01
TPL Trakker Limited	120,000	-	-	120,000	-	-	-	-	-
Systems Limited	517,201	-	-	238,210	278,991	128,911	7.31	8.46	0.23
	<b>655,104</b>	<b>-</b>	<b>-</b>	<b>358,210</b>	<b>296,894</b>	<b>130,057</b>	<b>7.38</b>	<b>8.54</b>	
<b>CABLE AND ELECTRICAL GOODS</b>									
Pak Elektron Limited	1,095,440	-	-	689,500	405,940	4,587	0.26	0.30	0.08
	<b>1,095,440</b>	<b>-</b>	<b>-</b>	<b>689,500</b>	<b>405,940</b>	<b>4,587</b>	<b>0.26</b>	<b>0.30</b>	
<b>GLASS AND CERAMICS</b>									
Tariq Glass Industries Limited	280,101	4,200	56,225	202,400	138,126	9,723	0.55	0.64	0.19
Shabbir Tiles and Ceramics Limited	2,294,000	-	-	158,500	2,135,500	18,173	1.03	1.19	1.78
Ghani Value Glass Limited	61,100	-	-	61,100	-	-	-	-	-
	<b>2,635,201</b>	<b>4,200</b>	<b>56,225</b>	<b>422,000</b>	<b>2,273,626</b>	<b>27,896</b>	<b>1.58</b>	<b>1.83</b>	
<b>Grand Total</b>					<b>16,288,043</b>	<b>1,477,581</b>	<b>83.46</b>	<b>96.64</b>	
Carrying value before mark to market as at March 31, 2023						1,531,442			

**4.1.1** Investments include shares with market value of Rs. 98,882 million (June 30, 2021: Rs. 111,967 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

## 4.2 Sukuks

Name of the investee company	Note	Number of certificates				Market value as at March 31, 2023	Market value as at June 30, 2022	Investment as a percentage of	
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at March 31, 2023			Net assets	Market value of total investments

Rupees in '000 ----- % -----

All sukuk have a face value of Rs. 5,000, 100,000 and 1000,000 each respectively.

Dubai Islamic Bank Pakistan Limited		129	-	129	-	-	133,322	-	-
The HUB Power Company Limited		1,800	-	1,200	600	45,342	142,033	2.57	2.98
K-Electric		-	50	50	-	-	-	-	-
Engro Polymer Chemical Limited		600	-	600	-	-	64,200	-	-
<b>Market value as at March 31, 2023</b>						<b>45,342</b>			
<b>Carrying value before mark to market as at March 31, 2023</b>						<b>52,035</b>			

### 4.3.1 Non-performing Sukuks

Name of the investee company	Note	Number of certificates				Market value as at March 31, 2023	Investment as a percentage of		
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at March 31, 2023		Net assets	Market value of total investments	Issue size

All sukuk have a face value of Rs. 5,000 each.

Eden Housing Limited	3.3.1	5,000	-	-	5,000	-	-	-	-
<b>Carrying value as at March 31, 2023</b>						<b>4,922</b>			
<b>Accumulated impairment</b>						<b>4,922</b>			

**4.3.1.1** This represents investment in privately placed sukuk with a term of five years. On May 6, 2011, the investee company defaulted its principal and profit payment and therefore it was classified as non performing asset by MUFAP. The amount of provision as per Circular no. 1 of 2009 and Circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

**4.3.1.2** The sukuk held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

## 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 1.30% 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.

## 9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.13% (March 31, 2022: 3.97%) which includes 0.30% (March 31, 2022: 0.24%) representing Government Levy, 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 "Islamic asset allocation" scheme.

## 10 DETAILS OF NON-COMPLIANT INVESTMENTS

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The Securities and Exchange Commission of Pakistan vide its circular no. 16 dated July 7, 2010, prescribed special disclosures for the schemes holding investments that are non compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirements of their constitutive documents.

The following are the details of non-compliant investments:

Names of non-compliant investment	Non-compliance of clause	Type of Investment	Value of investment before provision	Provision held	Value of investment after provision	% of net assets	% of gross assets
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Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular no. 7 of 2009	Sukuks (8.1)	4,922	(4,922)	-	-	-
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10.1 At the time of purchase, these sukuks were in compliance with the aforementioned circular. However, they were subsequently defaulted or were downgraded to non investment grade.

## 11 TRANSACTIONS WITH CONNECTED PERSONS

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 Baitoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

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

## 11.1 Details of the transactions with connected persons are as follows:

	(Un Audited)	
	Nine months Ended	
	March 31, 2023	March 31, 2022
	(Rupees in '000)	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of the Management Company	37,051	58,316
Sindh Sales Tax on remuneration of the Management Company	4,817	7,581
Sales and Transfer load charged including sindh sale tax	1,645	14,705
Reimbursement of operational expenses to the Management Company	3,706	7,135
Reimbursement of Selling and Marketing Expense	24,083	62,187
Units Issued: 5,243,844 (2022: 5,243,844 Units)	77,706	86,185
ADC Charges for the period including sindh sales tax	36	243
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	2,603	4,415
Sindh Sales Tax on remuneration of the Trustee	338	574
<b>Khalid Mehmood - Chief Financial Officer</b>		
Units Issued: Nil units (2022: 57,441 Units)	-	1,000
Units Redeemed: 24,902 (2022: Nil units)	390	-
<b>Employees of the Management Company</b>		
Units Issued: 1,100,791 (2022: 2,092,474)	17,156	34,881
Units Redeemed: 1,256,516 (2022: 2,133,317)	19,497	35,716
<b>Portfolios managed by Management Company</b>		
Units Issued: Nil units (2022: 202,518)	-	3,450
Units Redeemed: Nil units (2022: 1,105,665)	-	18,587
<b>Taurus Securities Limited (Subsidiary of Parent of the Management Company)</b>		
Brokerage charges	125	158
<b>NBP Islamic Income Fund (Fund Managed by Management Company)</b>		
Sale of Sukuk	-	102,133
<b>K-electric</b>		
Purchase of Short term Sukuk	50,000	-
Profit on Sukuk	4,469	-
<b>International Steels Limited (Common directorship)</b>		
Shares Purchased	-	10,322
Shares Sold	-	44,852
Dividend Income	-	-
<b>BankIslami Pakistan Limited (Common directorship)</b>		
Profit on deposits	12,315	3,322

\*\* Current period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2022.

11.2 Amounts outstanding as at period / year end	Un-Audited As at March 31, 2023	Audited As at June 30, 2022
	(Rupees in '000)	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of the Management Company	3,220	5,145
Sindh Sales Tax on remuneration of the Management Company	419	669
Reimbursement of Operational expenses	985	1,723
Sales and transfer load	2,724	1,169
Sindh Sales Tax and Federal Excise Duty on sales load	17,903	17,701
FED payable on management company remuneration	18,407	
Reimbursement of Selling and Marketing Expense	6,406	11,199
ADC Share Payable including sindh sales tax	111	124
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	432	339
Sindh Sales tax Trustee remuneration	56	44
CDC Charges	290	92
Security deposit	100	100
<b>National Bank of Pakistan - (Parent of the Management Company)</b>		
Bank balance	7,639	11,258
Profit accrued	2,032	126
<b>Khalid Mehmood - Chief Financial Officer</b>		
Units held in the Fund units (June 30, 2022 : 24,902 units)	949	379
<b>Bank Islami Pakistan Limited (Common directorship)</b>		
Bank balances in saving accounts	111,130	92,236
Profit accrued	2,008	1,175
<b>Employees of the Management Company</b>		
Units held in the Fund 44,894 units (June 30, 2022 : 108,789 units)	687	1,657
<b>Portfolio managed by Management Company</b>		
Units held 835,575 units (June 30, 2022: 208,894 units)	12,782	3,181
<b>National Clearing Company of Pakistan Limited*</b>		
NCCPL Charges payable	-	83
Security Deposit	-	2,500

\*\*Current period balances with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

## 12 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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



## 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 authorized for issue by the Board of Directors of the Management Company on April 29, 2023.

## 14 GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees.

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation.

For NBP Fund Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director

## Head Office

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

**UAN:** 021-111-111-632

**Toll Free:** 0800-20002

**Sms:** INVEST to 9995

**Fax:** 021-35825335

**Email:** [info@nbpffunds.com](mailto:info@nbpffunds.com)

**Website:** [www.nbpffunds.com](http://www.nbpffunds.com)

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