

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگز

NBP Fund Management Limited



NBP RIBA FREE SAVINGS 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

Al Baraka Islamic Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal 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
Soneri Bank Limited
United Bank Limited

NBP RIBA FREE SAVINGS FUND



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 Riba Free Savings Fund (NRFSF)** for the period ended March 31, 2023.

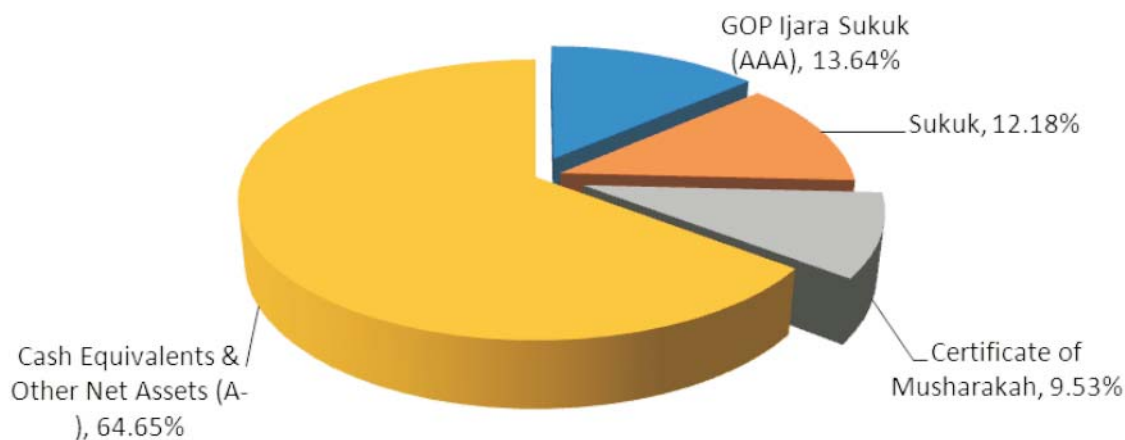
Fund's Performance

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.

NRFSF is an Islamic Income Scheme and has been awarded stability rating of 'A+ (f)' by PACRA, which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks/Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile.

The size of NBP Riba Free Savings Fund has decreased from Rs. 2,793 million to Rs. 1,642 million during the period (a decline of 41%). During the period, the unit price of the Fund has increased from Rs. 10.2667 on June 30, 2022 to Rs. 11.2967 on March 31, 2023, thus showing a return of 13.4% as compared to the benchmark return of 5.8% for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 248.72 million during the period. After deducting total expenses of Rs. 37.51 million, the net income is Rs. 211.21 million. The asset allocation of NRFSF as on March 31, 2023 is as follows:



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 ہمدست 31 مارچ 2023ء کو ختم ہونے والی مدت کے لئے NBP ریفاری سیونگز فنڈ (NRFSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

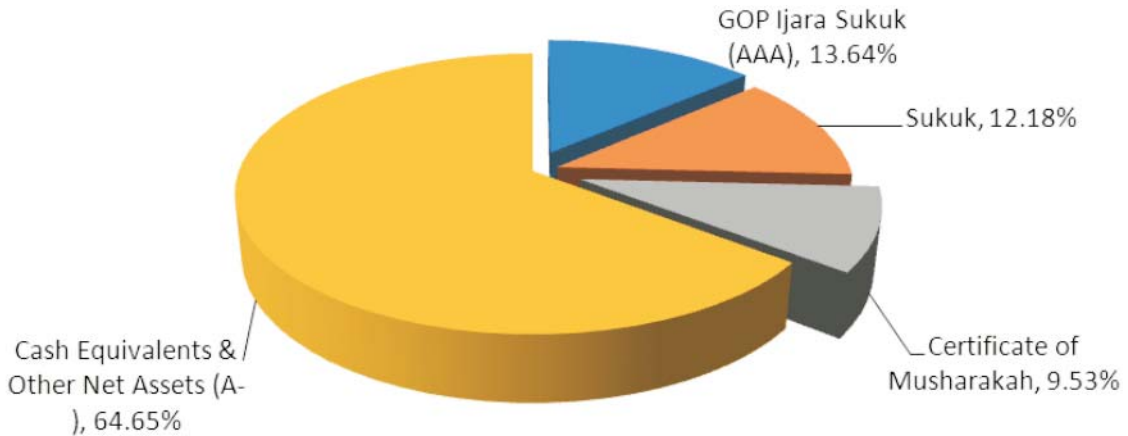
9MFY23 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چھ اجلاس منعقد کیے اور پالیسی شرح میں 6.25 فیصد سے 20 فیصد تک کا اضافہ کیا۔ مختلف سخت انتظامی اقدامات اٹھائے گئے، تاہم، بیرونی اور مالیاتی مطابقت کے باعث افراط زر کے نقطہ نظر سے قلیل مدت کے خطرات برقرار رہے۔ مالیاتی بہاؤ میں 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 ملین 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۔

NRFSF ایک اسلامک انکم اسکیم ہے اور فنڈ کو PACRA کی طرف سے A+(f) کی اسٹیٹیلٹی ریٹنگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی وندوز کی پیش کردہ منافع کی شرحوں کے مقابلے تو از سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔

NBP ریفاری سیونگز فنڈ کا سائز اس مدت کے دوران 2,793 ملین روپے سے کم ہو کر 1,642 ملین روپے ہو گیا ہے یعنی 41% کمی ہوئی ہے۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 10.2667 روپے سے بڑھ کر 31 مارچ 2023ء کو 11.2967 روپے تک پہنچ چکی ہے، لہذا اس مدت کے لئے اپنے بیچ مارک منافع 5.8% کے مقابلے میں 13.4% منافع درج کرایا۔ فنڈ کی کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 248.72 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 37.51 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 211.21 ملین روپے رہی۔

31 مارچ 2023 کے مطابق NRFSF کی ایسٹ ایلوکیشن حسب ذیل ہے۔





اظہار تشکر

یورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ بیکورٹیز اینڈ ایڈجسٹمنٹ کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

یورڈ 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 یورڈ 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 March 31, 2023	Audited June 30, 2022
Note	----- Rupees in '000 -----	
ASSETS		
Balances with banks	4 1,049,845	1,954,436
Investments	5 579,488	898,769
Prepayment and other receivables	681	487
Profit receivable	40,525	40,215
Receivable against issue of units	4	481
Total assets	1,670,543	2,894,388
LIABILITIES		
Payable to the Management Company	17,403	21,135
Payable to the Trustee	120	196
Payable to Securities and Exchange Commission of Pakistan	335	703
Payable against redemption of units	8,229	40,689
Accrued expenses and other liabilities	2,492	38,411
Total liabilities	28,579	101,134
NET ASSETS	1,641,964	2,793,254
Unit holders' fund (As per statement attached)	1,641,964	2,793,254
CONTINGENCIES AND COMMITMENTS		
	6	
	-----Number of units-----	
Number of units in issue	145,349,447	272,070,677
	-----Rupees-----	
Net asset value per unit	11.2967	10.2667

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 AND QUARTER ENDED MARCH 31, 2023

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Note ----- Rupees in '000 -----			
INCOME				
Income on Bank balances	159,428	125,045	36,804	45,365
Income on Term deposits	-	21,962	-	-
Income on GOP Ijara Sukuks	25,956	40,559	8,670	17,274
Income on Commercial paper	184	27,231	-	10,097
Income on Sukuk	54,216	17,120	16,241	5,362
Income on certificate of Musharakah	12,973	761	6,761	761
(Loss) / Gain on sale of Investments - net	(3,538)	(4,150)	(3,043)	(862)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(495)	(877)	2,008	(2,827)
Total income	248,724	227,651	67,441	75,170
EXPENSES				
Remuneration of the Management Company	13,770	14,574	3,710	4,234
Sindh sales tax on remuneration of the Management Company	1,790	1,895	482	551
Remuneration of the Trustee	1,256	2,095	318	601
Sindh Sales Tax on remuneration of the Trustee	163	272	41	78
Reimbursement of Selling and Marketing Expense	15,911	23,270	4,034	7,326
Annual fee - Securities and Exchange Commission of Pakistan	335	559	85	161
Reimbursement of operational expenses to the Management Company	2,112	3,492	549	1,002
Annual listing fee	21	21	7	7
Securities transaction cost	48	15	48	15
Settlement & Bank charges	404	439	99	193
Auditors' remuneration	761	852	197	250
Fund rating fee	443	403	156	142
Printing and related costs	86	109	57	41
Shariah advisor fee	292	399	100	128
Legal and professional charges	124	400	56	89
Total expenses	37,516	48,795	9,939	14,818
Net income from operating activities	211,208	178,856	57,502	60,352
Reversal of / (provision against) Sindh Workers' Welfare Fund - net	-	34,128	-	-
Net income for the period before taxation	211,208	212,984	57,502	60,352
Taxation	-	-	-	-
Net income for the period after taxation	211,208	212,984	57,502	60,352
Earnings per unit				
Allocation of net income for the period:				
Net income for the period after taxation	211,208	212,984	57,502	60,352
Income already paid on units redeemed	(72,744)	(62,350)	(21,861)	(28,009)
	138,464	150,634	35,641	32,343
Accounting Income available for Distribution				
- Relating to capital gain	-	-	-	-
- Excluding capital gain	138,464	150,634	35,641	32,343
	138,464	150,634	35,641	32,343

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 AND QUARTER ENDED MARCH 31, 2023

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	----- Rupees in '000 -----			
Net income for the period after taxation	211,208	212,984	57,502	60,352
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>211,208</u>	<u>212,984</u>	<u>57,502</u>	<u>60,352</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



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

	Nine months ended March 31,					
	2023			2022		
(Rupees in '000)						
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	2,739,798	53,456	2,793,254	4,279,800	47,198	4,326,998
Issue of 38,063,429 units (2022: 135,590,271 units)						
- Capital value	391,928	-	391,928	1,385,724	-	1,385,724
- Element of income	16,438	-	16,438	51,528	-	51,528
Total proceeds on issuance of units	408,366	-	408,366	1,437,252	-	1,437,252
Redemption of 164,784,659 units (2022: 280,682,421 units)						
- Capital value	(1,691,795)	-	(1,691,795)	(2,874,918)	-	(2,874,918)
- Element of loss	(6,325)	(72,744)	(79,069)	(34,625)	(62,350)	(96,975)
Total payments on redemption of units	(1,698,120)	(72,744)	(1,770,864)	(5,127,645)	(62,350)	(2,971,893)
Total comprehensive income for the period	-	211,208	211,208	-	212,984	212,984
Net assets at end of the period	1,450,044	191,920	1,641,964	589,407	197,832	3,005,341
Undistributed income brought forward						
- Realised		53,231			44,948	
- Unrealised		225			2,250	
		<u>53,456</u>			<u>47,198</u>	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		138,464			150,634	
		<u>138,464</u>			<u>150,634</u>	
Undistributed income carried forward		<u>191,920</u>			<u>197,832</u>	
Undistributed income carried forward						
- Realised income		192,415			197,832	
- Unrealised (loss) / income		(495)			(877)	
		<u>191,920</u>			<u>196,955</u>	
				- (Rupees) -		- (Rupees) -
Net assets value per unit at beginning of the period		<u>10.2667</u>				<u>10.2426</u>
Net assets value per unit at end of the period		<u>11.2967</u>				<u>10.8472</u>

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

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

Chief Financial Officer

Chief Executive Officer

Director

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

	<u>Nine Months Ended</u>	
	March 31, 2023	March 31, 2022
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	211,208	212,984
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	495	877
Loss / (Gain) on sale of investments - net	3,538	4,150
(Reversal of provision) / provision against Sindh Workers' Welfare Fund - net	-	(34,128)
	<u>215,241</u>	<u>183,883</u>
(Increase) / decrease in assets		
Investments - net	<u>315,248</u>	1,276,953
Advances, deposits, prepayments and other receivables	(194)	254
Profit receivable	(310)	(19,269)
	<u>314,744</u>	<u>1,257,938</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	(3,732)	(1,287)
Payable to the Trustee	(76)	(70)
Payable to Securities and Exchange Commission of Pakistan	(368)	(446)
Accrued expenses and other liabilities	(35,919)	(41,671)
	<u>(40,095)</u>	<u>(43,474)</u>
Net cash generated from operating activities	<u>489,890</u>	<u>1,398,347</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	<u>408,843</u>	1,439,408
Payment on redemption of units	(1,803,324)	(3,094,938)
Net cash (used in) from financing activities	<u>(1,394,481)</u>	<u>(1,655,530)</u>
Net (decrease in) cash and cash equivalents during the period	<u>(904,591)</u>	<u>(257,183)</u>
Cash and cash equivalents at the beginning of the period	1,954,436	2,317,066
Cash and cash equivalents at end of the period	<u><u>1,049,845</u></u>	<u><u>2,059,883</u></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 ENDED MARCH 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Riba Free Savings 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 executed on June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 18, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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 18, 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 the 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 Management Company is a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and classified as an Islamic "income scheme" by the Management Company and is listed on the Pakistan Stock Exchange Limited. Units 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 objective of the Fund is to provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / debt securities.

The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of 'AM1' to the Management Company and has assigned stability rating of 'A+(f)' to the Fund.

Title of the assets of the Fund is held in the name of CDC as a 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 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.

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.

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
4	BANK BALANCES	-----Rupees in '000-----	
	Current accounts	18,150	20,293
	Savings accounts	<u>1,031,695</u>	<u>1,934,143</u>
		<u><u>1,049,845</u></u>	<u><u>1,954,436</u></u>
5	INVESTMENTS		
	Financial assets at fair value through profit loss		
	Sukuk	5.1 200,000	526,925
	Islamic Commercial Paper	5.2 -	49,816
	Government securities	5.3 222,930	322,028
	Certificates of musharakah	5.4 156,558	-
		<u><u>579,488</u></u>	<u><u>898,769</u></u>

5.1 Sukuks Certificates - At fair value through profit or loss

All certificates have a face value of Rs.100,000 each

Name of the security	As at July 1, 2022	Purchases during the period	Matured / disposed off during the period	As at March 31, 2023	Market value as at March 31, 2023	Percentage in relation to	
						Net assets of the Fund	Total market value of the investment
	----- Number of certificates-----				(Rupees in '000)	----- % -----	
K-Electric Limited - short-term sukuk - 1 (Face value of Rs. 1,000,000 per certificate Maturity August)	100	-	100	-	-	-	-
K-Electric Limited - short-term sukuk - 2 (Face value of Rs. 1,000,000 per certificate Maturity August)	75	-	75	-	-	-	-
K-Electric Limited - short-term sukuk - 6 (Face value of Rs. 1,000,000 per certificate Maturity October)	75	-	75	-	-	-	-
K-Electric Limited - short-term sukuk - 7 (Face value of Rs. 1,000,000 per certificate Maturity February)	-	70	70	-	-	-	-
K-Electric Limited - short-term sukuk - 8 (Face value of Rs. 1,000,000 per certificate Maturity February)	-	75	75	-	-	-	-
K-Electric Limited - short-term sukuk - 9 (Face value of Rs. 1,000,000 per certificate Maturity March)	-	125	125	-	-	-	-
Pakistan Energy Sukuk-II (traded) (Face value of Rs. 5,000 per certificate)	55,000	-	15,000	40,000	200,000	0.12	0.35
					<u>200,000</u>	<u>0.12</u>	<u>0.35</u>
Carrying value as at March 31, 2023					<u>201,400</u>		
Market value as at June 30, 2022					<u>526,925</u>		

5.2 Commercial papers

Name of security	Face value (Rupees in '000)			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
	As at July 1, 2022	Purchased during the period	Disposed off / matured during the period				
	----- Number of certificates-----				---(Rupees in '000)---	----- % -----	
Power generation & distribution							
Lucky Electric Power Company Limited ICP - 2 (AA-, PACRA)	50,000	-	50,000	-	-	-	-
Total					<u>-</u>	<u>-</u>	<u>-</u>
Carrying value as at March 31, 2023					<u>-</u>		
Market value as at June 30, 2022					<u>49,816</u>		

5.3 Government securities - Ijarah sukuks

Name of the security	As at July 1, 2022	Purchases during the period	Sales during the period	As at March 31, 2023	Market value as at March 31, 2023	Percentage in relation to	
						Net assets of the Fund	Total market value of the investment
----- Number of certificates-----					(Rupees in	----- % -----	
GOP Ijarah sukuk XX (Face value of Rs. 100,000 per certificate Maturity April 30, 2025)	20,000	-	20,000	-	-	-	-
GOP Ijarah sukuk XXI (Face value of Rs. 100,000 per certificate Maturity May 29, 2025)	45,000	-	-	45,000	222,930	0.14	0.38
Total					<u>222,930</u>	<u>0.14</u>	<u>0.38</u>
Carrying value as at March 31, 2023					<u>225,068</u>		
Market value as at June 30, 2022					<u>322,028</u>		
Carrying value as at June 30, 2022					<u>321,528</u>		

5.4 Certificates of musharakah

Name of the security	As at July 1, 2022	Purchases during the period	Matured / disposed off during the period	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Percentage in relation to	
						Net assets of the Fund	Total market value of the investment
----- '(Rupees in '000)-----						----- % -----	
First Habib Modaraba Maturity December 20, 2022)	-	150,000	150,000	-	-	-	-
First Habib Modaraba Maturity March 20, 2023)	-	150,000	150,000	-	-	-	-
First Habib Modaraba Maturity June 20, 2023)	-	156,558	-	156,558	156,558	0.10	0.27
Total as at March 31, 2023 (un-audited)				<u>156,558</u>	<u>156,558</u>	<u>0.10</u>	<u>0.27</u>
Total as at June 30, 2022 (audited)				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 0.95% 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 unit holders.

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 2.24% (March 31, 2022: 1.75%) which includes 0.11% (March 31, 2022: 0.10%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Compliant Income Scheme".

10 TRANSACTIONS WITH CONNECTED PERSONS

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, 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.

10.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

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

10.5 Transactions during the period

NBP Fund Management Limited

Formerly NBP Fullerton Asset Management Limited (Management Company)

	----- (Un-Audited) ----- Nine months ended	
	March 31,2023	March 31,2022
----- Rupees in '000 -----		
Management remuneration for the period	13,770	14,574
Sindh sales tax on remuneration of the Management Company	1,790	1,895
Reimbursement of Selling and marketing expense	15,911	23,270
Reimbursement of Accounting and operational charges to the Management Company	2,112	3,492
Sales Load and sind sale tax	468	1,558
ADC share and Sindh sale tax - payable to Management Company	99	93

Central Depository Company of Pakistan Limited - Trustee

Remuneration	1,256	2,095
Sindh Sale tax on Remuneration	163	272
CDS Charges	49	59

Employees of Management Company

Units issued / transferred in 684,940 units; (2022: 1,331,645 units)	7,273	14,209
Units redeemed / transferred out 1,001,786 units; (2022: 1,519,334 units)	10,690	15,856

Portfolio Managed By Management Company

Units redeemed / transferred out 71 units (2022: Nil units)	1	-
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BANKISLAMI PAKISTAN LIMITED - (Common directorship)

Profit earned from savings account	24,925	5,277
Placements of term deposit receipts	-	2,353,552
Profit earned from term deposits receipts	-	18,344
Sale of sukuk certificates - GOP Ijarah sukuk certificates	-	148,076

		----- (Un-Audited) ----- Nine months ended	
		March 31,2023	March 31,2022
		----- Rupees in '000 -----	
	K Electric		
	Purchase of Sukuk during the period	270,000	-
	Profit earned on Sukuk during the period	29,751	-
	National Clearing Company of Pakistan Limited - common directorship		
	Settlement charges	-	224
		(Un-Audited)	(Audited)
		March	June 30,
		31, 2023	2022
		----- Rupees in '000 -----	
10.6	Balances outstanding as at period / year end		
	NBP Fund Management Limited		
	Remuneration payable	1,307	1,778
	Sindh sales tax on remuneration of the Management Company	171	232
	Reimbursement of Selling and Marketing expense payable	4,035	6,864
	Reimbursement of Operational expenses	550	904
	Sales load payable	260	235
	Sindh sales tax on sale load payable	34	31
	Federal excise duty on sales load	334	334
	Federal excise duty on remuneration of the Management Company	10,657	10,657
	ADC share and Sindh sale tax - payable to Management Company	55	100
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	107	174
	Sale tax on Remuneration payable	13	22
	CDS settlement charges payable	49	39
	Security deposit	200	200
	National Bank of Pakistan - Parent Company		
	Balance in current account	1,058	831
	Profit accrued on bank balances	13	14
	Employees of Management Company		
	Investment held in the Fund 168,063 units (June 30 2022: 484,786 units)	1,899	4,977
	BankIslami Pakistan Limited - (Common directorship)		
	Bank balance	142,163	339,820
	Accrued profit	758	354
	Portfolio Managed by the Management Company		
	Investment held in the Fund 206 units (June 30, 2022: 190 units)	2	3
	National Clearing Company Limited Pakistan - common directorship*		
	Settlement charges payable	-	25
	Mr. Khalid Mehmood - Chief Financial Officer		
	Units held: 65 units (June 30, 2022: 64)	1	1

*Current year figures have not been presented as the person is not classified as a related party / connected person of the Fund as at March 31, 2023.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

12 DATE OF AUTHORISATION FOR ISSUE

This financial information was authorised for issue by the Board of Directors of the Management Company on April 29, 2023.

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand Rupees.

13.2 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant changes to corresponding figures have been made during the current period.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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