

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگز

NBP Fund Management Limited



NBP ISLAMIC ENERGY FUND

ANNUAL REPORT
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 & Remuneration 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 Shahr-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islami Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Summit Bank Limited
United Bank Limited

Auditors

Grant Thornton Anjum Rahman.
1st & 3rd Floor,
Modern Motors House, Beaumont Road,
Karachi, 75530

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpfunds.com

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Saad Amanullah Khan
Director



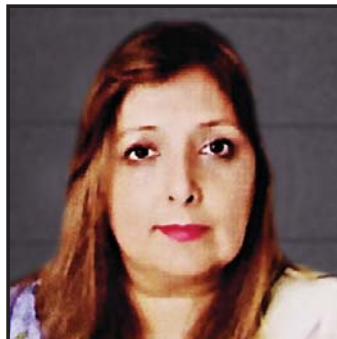
Mr. Tauqeer Mazhar
Director



Mr. Ali Saigol
Director



Mr. Ruhail Muhammad
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Business
Development Officer



Mr. Muhammad Imran, CFA, ACCA
Head of Portfolio Management



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Shahzad Mithani
Head of Corporate &
HNWIs Sales - South



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Mr. Waheed Abidi
Head of Internal Audit



Mr. Hassan Raza, CFA
Head of Research



Mr. Mustafa Farooq
Head of Compliance

DIRECTORS' REPORT

The Board of Directors of NBP Fund Asset Management Limited is pleased to present the seventh Annual Report for the period ended June 30, 2023, since launch of **NBP Islamic Energy Fund** on April 21, 2016.

Fund's Performance

FY23 was a lackluster year for equities as the benchmark KMI-30 Index inched up by only 2.9% during the year. However, during the period, the market remained very volatile and the Index exhibited large swings on both sides.

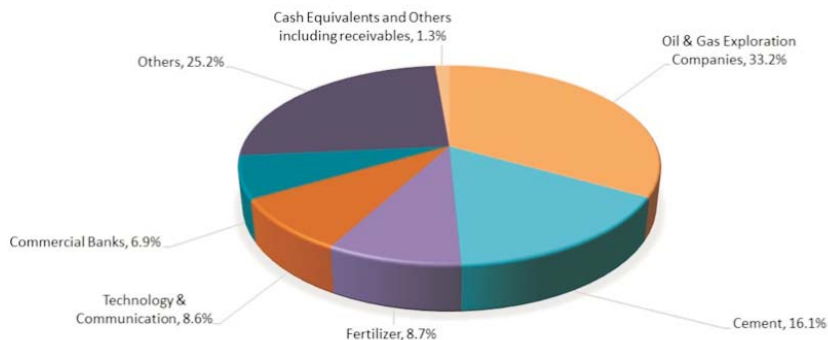
The stock market performance remained subdued during the outgoing year as investors' confidence remained fragile shaped by worsening political and macro-economic outlook. On economic front, the precarious situation on balance of payment (BOP) troubled investors. Though the current account deficit (CAD), that stood at USD 2.6 bn as against USD 17.5 bn last year, was brought under control due to various administrative measures/restrictions, elevated external debt repayments of around USD 21 bn remained a cause of concern. 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 4.5 billion for the same reason. Amid steep drawdown in FX reserves, PKR witnessed massive devaluation of around 40% during FY23 that 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 growth was recorded at merely 0.3% during the year. Large Scale Manufacturing was particularly hit as its output dropped by around 10.3% during FY23. 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 29.2% in FY23. This prompted the central bank to aggressively increase Policy Rate to 22% from 13.75% at the start of the period. Although listed corporate sector continued to post robust double-digit growth in profitability, despite imposition of higher taxes and anemic GDP growth, multi-faceted economic challenges and political uncertainty sapped sentiments and weighed heavily on market performance. A key aspect during last year related to capital market was the sponsor buyback programs which remained a major redeeming factor where cumulative buybacks of around PKR 28 billion were announced reflecting immense sponsor confidence in their own companies.

In terms of sector performance, Cements, Chemicals, Banks, Fertilizer, Oil & Gas Exploration Companies, Power Generation & Distribution, Sugar & Allied Industries, and Technology & Communication sectors outperformed the market. On the contrary, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Engineering, Food & Personal Care, Glass & Ceramics, Insurance, Leather & Tanneries, Miscellaneous, Oil & Gas Marketing, Paper & Board, Pharmaceutical, Refinery, Textile Composite, and Tobacco sectors lagged the market. On participants-wise market activity, Companies, Individual and Banks/DFIs emerged the largest net buyers with inflows of around USD 100 million, USD 84 and USD 74 million, respectively. On the contrary, Mutual Funds & Insurance lowered their net holdings by around USD 144 million & USD 124 million, respectively.

During the fiscal year, NBP Islamic Energy Fund increased by 2.9% in line with the KMI-30 index. Since its inception on April 21, 2016, the return of NBP Islamic Energy Fund was 2.9%, while the Benchmark increased by 20.0%. Thus, the Fund underperformed by 17.1% during the period. The performance of the Fund is net of management fee and all other expenses. The Fund size is 641 million as of June 30, 2023.

NBP Islamic Energy Fund has earned a total income of Rs. 46.72 million during the year. After deducting total expenses of Rs. 31.41 million, the net income is Rs. 15.31 million. During the year, the unit price of Islamic Energy Fund has increased from Rs. 8.8236 (Ex-Div) on June 30, 2022 to Rs. 8.8630 on June 30, 2023. The resultant per unit gain is Rs. 0.0394 (0.4%).

The asset allocation of NBP Islamic Energy Fund as on June 30, 2023 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 2.48% of the opening ex-NAV (2.19% of the par value) during the year ended June 30, 2023.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, as reduced by accumulated losses and capital gains, whether realized or unrealized, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, Messrs Grant Thornton Anjum Rahman., Chartered Accountants, retired and, being eligible, offer themselves for re-appointment for the year ending June 30, 2024.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the year. The attendance of all directors is disclosed in the note 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. For the year ended June 30, 2023, the Board included:

| Category | Names |
|--------------------------------|---|
| Independent Directors | 1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Ruhail Muhammad 4. Mr. Humayun Bashir |
| Executive Director | Dr. Amjad Waheed - Chief Executive Officer |
| Non-Executive Directors | 1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Tauqeer Mazhar 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar |

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: **September 15, 2023**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ ایسٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 21 اپریل 2016 کو قائم ہونے والے NBP اسلامک انرجی فنڈ کی ساتویں سالانہ رپورٹ برائے مختتمہ سال 30 جون 2023 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

مالی سال 23 ایکویٹیز کے لیے مایوس کن تھا کیونکہ بیچ مارک KMI-30 انڈیکس میں سال کے دوران صرف 2.9 فیصد کا اضافہ ہوا۔ تاہم سال کے دوران مارکیٹ کافی اتار چڑھاؤ کا شکار رہی اور انڈیکس نے بھی دونوں اطراف جھکاؤ دکھایا۔

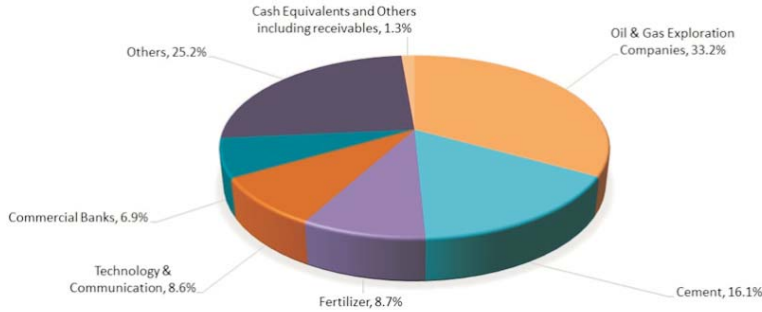
رواں سال کے دوران سناک مارکیٹ کی کارکردگی کم رہی کیونکہ خراب سیاسی اور میکرو اکنامک نقطہ نظر کی وجہ سے سرمایہ کاروں کا اعتماد کمزور رہا۔ معاشی محاذ پر، ادائیگی کے توازن (BOP) کی نازک صورتحال نے سرمایہ کاروں کو پریشان کیا۔ اگرچہ کرنٹ اکاؤنٹ خسارہ (CAD) جو کہ گزشتہ سال 17.5 بلین امریکی ڈالر کے مقابلے میں 2.6 بلین امریکی ڈالر رہا، مختلف انتظامی اقدامات/پابندیوں کی وجہ سے کنٹرول میں لایا گیا تاہم تقریباً 21 بلین ڈالر کے بیرونی قرضوں کی ادائیگی توثیق کا باعث بنی ہوئی ہے۔ آئی ایم ایف کی شرائط پوری کرنے میں تاخیر کی وجہ سے پروگرام متعلقہ کا شکار رہا اور بیرونی رقم کا بہاؤ کم ہو گیا۔ لہذا، اسی وجہ سے SBP کے زرمبادلہ ذخائر 9.8 بلین امریکی ڈالر سے کم ہو کر 4.5 بلین امریکی ڈالر پر آ گئے۔ زرمبادلہ ذخائر میں زبردستی کمی کے درمیان، پاکستانی روپیہ نے مالی سال 23 کے دوران بڑے پیمانے پر قدر میں تقریباً 40% کمی دیکھی جس سے مارکیٹ کے حالات بھی مجروح ہوئے۔ غیر معمولی بارشوں نے ملک میں بڑے پیمانے پر سیلاب کی وجہ سے نہ صرف تباہی مچائی بلکہ معاشی نقطہ نظر کو مزید خراب کر دیا کیونکہ سال کے دوران جی ڈی پی کی شرح نمو محض 0.3 فیصد ریکارڈ کی گئی۔ خاص طور پر بڑے پیمانے کی مینوفیکچرنگ متاثر ہوئی کیونکہ مالی سال 23 کے دوران اس کی پیداوار میں تقریباً 10.3 فیصد کمی واقع ہوئی۔ مہنگائی، جو کہ کموڈٹی اسپرائیکل اور خوردہ ایندھن اور بجلی کی قیمتوں میں اڈجسٹمنٹ کی وجہ سے پہلے ہی عروج پر تھی، مزید بڑھ گئی کیونکہ سلائی میں شدید ریکارڈ اور قلت قیمتوں پر مزید باؤ ڈالا۔ مالی سال 23 میں اوسط مہنگائی تقریباً 29.2 فیصد تک پہنچ گئی۔ اس نے مرکزی بینک کو جارحانہ انداز میں پالیسی شرح کو 13.75 فیصد سے بڑھا کر 22 فیصد کرنے پر آمادہ کیا۔ اگرچہ سٹڈ زیادہ ٹیکسوں کے نفاذ اور جی ڈی پی میں کمی کے باوجود کارپوریٹ سیکٹرز نے منافع میں دوہرے ہندسے کی مضبوط نمو جاری رکھی، کثیر جہتی اقتصادی چیلنجوں اور سیاسی غیر یقینی صورتحال نے جذبات کو مجروح کر دیا اور مارکیٹ کی کارکردگی پر بہت زیادہ باؤ ڈالا۔ سٹیبل مارکیٹ سے متعلق پچھلے سال کے دوران ایک اہم پہلو اسپانسر بے بیک پروگرام تھا جو کہ ایک اہم ریڈیمنگ عنصر رہا جہاں تقریباً 28 بلین روپے کی مجموعی بائے بیکس کا اعلان کیا گیا جو ان کی اپنی کمپنیوں میں اسپانسر کے بے پناہ اعتماد کی عکاسی کرتا ہے۔

سیکٹرز اور کارکردگی کے لحاظ سے سیمٹ، کیمیکل، بینک، فرنیچر، آئل اینڈ گیس، ایکویٹی، پاور جنریشن اینڈ ڈسٹری بیوٹن، شوگر اینڈ الائیڈ انڈسٹریز، اور ٹیکنالوجی اور کمیونیکیشن سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس، آٹو اسمبلرز، آٹو پارٹس اور اسپرینز، کیمبل اور الیکٹریکل سامان، انجینئرنگ، فوڈ اینڈ پوسٹل کیئر، گلاس اینڈ سٹریکس، انشورنس، لیڈر اینڈ ٹیکسٹائل، متفرقات، آئل اینڈ گیس مارکیٹنگ، پیپر اینڈ بورڈ، فارماسیوٹیکل، ریفرنسری، ٹیکسٹائل کمپوزٹ، اور تمباکو کے شعبوں نے مارکیٹ سے اتر کارکردگی کا مظاہرہ کیا۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، کمپنیاں، انفرادی اور بینک/DFIs بالترتیب 100 بلین امریکی ڈالر، 84 بلین امریکی ڈالر اور 74 بلین امریکی ڈالر کی آمد کے ساتھ سب سے بڑے خالص خریدار رہے۔ اس کے برعکس، میوچل فنڈز اور انشورنس نے اپنی خالص ہولڈنگز کو بالترتیب 144 بلین امریکی ڈالر اور 124 بلین امریکی ڈالر تک کم کر دیا۔

مالی سال کے دوران، NBP اسلامک انرجی فنڈ کے KMI-30 انڈیکس میں 2.9% کا اضافہ ہوا۔ اپنے قیام (21 اپریل 2016) سے آج تک NBP اسلامک انرجی فنڈ کا منافع 2.9% ہے، جبکہ بیچ مارک میں 20.0% کا اضافہ ہوا۔ لہذا فنڈ نے سال کے دوران 17.1% کی اتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی بیکارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ 30 جون 2023 کو فنڈ کا سائز 641 ملین روپے ہے۔

NBP اسلامک انرجی فنڈ کو اس مدت کے دوران 46.72 ملین روپے کی آمدنی ہوئی۔ 31.41 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 15.31 ملین روپے ہے۔ سال کے دوران، اسلامک انرجی فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 8.8236 (Ex-Div) روپے سے بڑھ کر 30 جون 2023 کو 8.8630 روپے ہو چکی ہے۔ جس کے نتیجے میں یونٹ منافع 0.0394 روپے (0.4%) ہے۔

30 جون 2023 کو NBP اسلامک انرجی فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 2.48 فیصد (بنیادی قیمت کا 2.19 فیصد) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کمپنیل گین اور جمع شدہ نقصانات منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر آگم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز گرانٹ تھارٹن انچارج ایڈوکیٹس، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2024 کو ختم ہونے والے سال کے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

1. مینیجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیمپل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پینل مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے پونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی متارٹی انٹریسٹ نہیں رکھتی۔ زیر جائزہ مدت 30 جون 2023 کے دوران بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل رہا۔

| نام | کینگری |
|--|------------------------|
| 1. جناب خالد منصور 2. جناب سعد امان اللہ خان 3. جناب روہیل محمد 4. جناب ہمایوں بشیر | غیر جانبدار ڈائریکٹرز |
| ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر) | ایگزیکٹو ڈائریکٹر |
| 1. شیخ محمد عبدالواحد سیٹھی (چیرمین) 2. جناب توقیر مظہر 3. محترمہ مہناز سالار 4. جناب علی سیگل 5. جناب عمران ظفر | نان ایگزیکٹو ڈائریکٹرز |

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 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 نیشنل مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 15 ستمبر 2023ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Energy Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects

managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 27, 2023

FUND MANAGER REPORT

NBP Islamic Energy Fund

NBP Islamic Energy Fund is an Open-ended Shariah Compliant Equity Fund.

Investment Objective of the Fund

The objective of NBP Islamic Energy Fund is to provide investors with long term capital growth from an actively managed portfolio of Shari'ah Compliant listed equities belonging to the Energy Sector.

Benchmark

The Benchmark of the Fund is KMI-30 Index.

Fund performance review

This is the Eighteen annual report of the Fund. During the fiscal year, NBP Islamic Energy Fund increased by 2.9% in line with the KMI-30 index. Since its inception on April 21, 2016, the return of NBP Islamic Energy Fund was 2.9%, while the Benchmark increased by 20.0%. Thus, the Fund underperformed by 17.1% during the period. The performance of the Fund is net of management fee and all other expenses. The Fund size is 641 million as of June 30, 2023.

The chart below shows the performance of NIEF against the Benchmark for the year.

NIEF Performance vs. Benchmark during FY23



FY23 was a lackluster year for equities as the benchmark KMI-30 Index inched up by only 2.9% during the year. However, during the period, the market remained very volatile and the Index exhibited large swings on both sides.

The stock market performance remained subdued during the outgoing year as investors' confidence remained fragile shaped by worsening political and macro-economic outlook. On the political front, uncertainty & agitation remained elevated during the year and weighed on investors' sentiments. The dissolution of two provincial assemblies and uncertainty over continuity of federal government and contention between government and apex court caused jitters in the market. On economic front, the precarious situation on balance of payment (BOP) troubled investors. Though the current account deficit (CAD), that stood at USD 2.6 bn as against USD 17.5 bn last year, was brought under control due to various administrative measures/restrictions, elevated external debt repayments of around USD 21 bn remained a cause of concern. 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 4.5 billion for the same reason. Amid steep drawdown in FX reserves, PKR witnessed massive devaluation of around 40% during FY23 that 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 growth was merely recorded at 0.3% during the year. Large Scale Manufacturing was particularly hit as its output dropped by around 10.3% during FY23. 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 29.2% in FY23. This prompted the central bank to aggressively increase Policy Rate to 22% from 13.75% at the start of the period. Although listed corporate sector continued to post robust double-digit growth in profitability, despite imposition of higher taxes and anemic GDP growth, multi-faceted economic challenges and political uncertainty sapped sentiments and weighed on market performance. A key aspect during last year related to capital market was the sponsor buyback programs which remained a major redeeming factor where cumulative buybacks of around PKR 28 billion were announced reflecting immense sponsor confidence in their own companies.

In terms of sector performance, Cements, Chemicals, Banks, Fertilizer, Oil & Gas Exploration Companies, Power Generation & Distribution, Sugar & Allied Industries, and Technology & Communication sectors outperformed the market. On the contrary, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Engineering, Food & Personal Care, Glass & Ceramics, Insurance, Leather & Tanneries, Miscellaneous, Oil & Gas Marketing, Paper & Board, Pharmaceutical, Refinery, Textile Composite, and Tobacco sectors lagged the market. On participants-wise market activity, Companies, Individual and Banks/DFIs emerged the largest net buyers with inflows of around USD 100 million, USD 84 and USD 74 million, respectively. On the contrary, Mutual Funds & Insurance lowered their net holdings by around USD 144 million & USD 124 million, respectively.

Asset Allocation of the Fund (% of NAV)

| Particulars | 30-Jun-23 | 30-Jun-22 |
|-----------------------|---------------|---------------|
| Equities / Stocks | 95.7% | 98.1% |
| Cash Equivalents | 5.8% | 3.6% |
| Other Net Liabilities | (1.5%) | (1.7%) |
| Total | 100.0% | 100.0% |

Distribution for the Financial Year 2023

| Interim Period/ Quarter | Dividend as % of Par Value (Rs.10) | Cumulative Div. Price/Unit | Ex-Div. Price |
|----------------------------|---------------------------------------|-------------------------------|------------------|
| June - 23 | 2.19% | 9.0957 | 8.8769 |

Unit Holding Pattern

| Size of Unit Holding (Units) | # of Unit Holders |
|------------------------------|-------------------|
| 0-0.99 | 105 |
| 1-1000 | 397 |
| 1001-5000 | 106 |
| 5001-10000 | 76 |
| 10001-50000 | 128 |
| 50001-100000 | 26 |
| 100001-500000 | 29 |
| 500001-1000000 | 9 |
| 1000001-5000000 | 8 |
| 5000001-10000000 | 3 |
| 100000001-100000000 | 1 |
| Total | 888 |

During the period under question

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. NBP Islamic Energy Fund does not have any soft commission arrangement with any broker in the industry.

STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NBP Islamic Energy Fund (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2023. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: **September 15, 2023**
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer

REPORT OF THE SHARI'AH SUPERVISORY BOARD

September 27, 2023/ Rabiul Awwal 10, 1445

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 marks the Eighth year of operations of NBP Islamic Energy Fund (the "NIEF" or the "Fund") under management of NBP Fund Management Limited (the "NBP Funds" or the "Management Company").

In the capacity of Shariah Supervisory Board (the "SSB"), we have prescribed six criteria for Shariah-compliance of equity investments which relate to (i) Nature of business, (ii) Interest-bearing debt to total assets, (iii) Investment in Shariah non-compliant activities to total assets (iv) Shariah non-compliant income to gross revenue, (v) Illiquid assets to total assets, and (vi) Net liquid assets per share vs. market price per share.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah principles, policies and guidelines issued by the SSB and Shariah Governance Regulations issued by Securities and Exchange Commission of Pakistan. The prime responsibility for ensuring Shariah-compliance of the Fund's operations lies with the Board of Directors and Executive Management.

Based on our day to day reviews during the year and subsequent approvals for investments and related activities of the Fund, we hereby confirm that:

- i. The modes of equity investment, transactions, relevant documentation and procedures adopted have been in accordance with Shariah principles and rules
- ii. The affairs of the Fund have been carried out in accordance with Shariah principles and rules and relevant Shariah opinions and/or guidelines were issued accordingly from time to time
- iii. Any earnings that have realized from sources or by means prohibited by Shariah have been credited to the charity account where applicable.
 - a. During the year, Fund booked charity of amounting PKR 4,873,132/- wherein amount available for disbursement is PKR 3,431,180/-, which is inclusive of PKR 1,198,662/- provisional amount of previous year adjusted after availability of the respective financial statements.

Based on the above facts, SSB is of the opinion that during the year, nothing has come to our attention which causes to believe that the overall operations of the Fund for the year ended June 30, 2023 are not in compliance with the Shariah principles and rules.

May Allah bless us with the best Tawfeeq to accomplish our cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Technical Services & Support

For and on behalf of NBP Fund's Shariah Supervisory Board

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waqar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP Islamic Energy Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, income statement, statement of comprehensive income, statement of movements in unit holder's fund, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and the Management Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| S. No. | Key Audit Matter | How our audit addressed the key audit matter |
|--------|---|---|
| | Investments (refer note 6 to the financial statements) | |
| | <p>Investments constitute the most significant component of the net asset value (NAV). Investments of the Fund as of June 30, 2023, amounted to Rs. 613.845 million (2022: Rs. 702.917 million).</p> <p>The existence and proper valuation of investments for the determination of the NAV of the Fund as of June 30, 2023, was considered a high-risk area and therefore we considered this as a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of relevant controls placed by the Management Company applicable to the account balance; • Verified the existence of investments from Central Depository Company (CDC) account statements, bank statements, and other relevant documents; • performed test of details on sale, purchase, and maturity of investments on a sample basis; and • tested valuation of investments. |

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors (the Board) for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we report that in our opinion the Fund's financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Other matter

- 1) The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb**.

Grant Thornton Anjum Rahman
Chartered Accountants

Karachi
Date: September 21, 2023
UDIN: AR202310126Y7G2ySulP

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

| | 2023 | 2022 |
|---|----------------------------|---------------------------|
| Note | ----- Rupees in '000 ----- | |
| ASSETS | | |
| Bank balances | 4 36,954 | 25,981 |
| Investments | 5 613,845 | 702,917 |
| Profit receivable | 6 450 | 166 |
| Deposits and other receivables | 7 5,604 | 5,604 |
| Receivable against sell of investment | 3,086 | - |
| Receivable against issuance of unit | 500 | 875 |
| Total assets | 660,439 | 735,542 |
| LIABILITIES | | |
| Payable to NBP Fund Management Limited - Management Company | 8 7,465 | 7,754 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 117 | 131 |
| Payable to the Securities and Exchange Commission of Pakistan | 10 136 | 153 |
| Payable against redemption of units | 571 | 2,008 |
| Payable against purchase of investments | - | 3,586 |
| Accrued expenses and other liabilities | 11 10,749 | 5,360 |
| Total liabilities | 19,038 | 18,992 |
| NET ASSETS | 641,401 | 716,550 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | 641,401 | 716,550 |
| Contingencies and commitments | | |
| | 12 | -----Number of units----- |
| Number of units in issue | 13 72,368,083 | 81,208,268 |
| | | -----Rupees----- |
| Net asset value per unit | 14 8.8630 | 8.8236 |

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

| | Note | Year ended | |
|---|------|-----------------|------------------|
| | | 2023 | 2022 |
| Rupees in '000 | | | |
| INCOME | | | |
| Profit on bank deposits | | 4,073 | 2,063 |
| Dividend income | | 83,901 | 62,326 |
| Realised (loss) on sale of investment- net | | (8,823) | (34,153) |
| Net unrealised (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit and loss' | | (32,429) | (75,307) |
| | | (41,252) | (109,460) |
| Total income / (loss) | | 46,720 | (45,071) |
| EXPENSES | | | |
| Remuneration of NBP Fund Management Company Limited - Management Company | 8.1 | 10,178 | 11,506 |
| Sindh Sales Tax on remuneration of the Management Company | 8.2 | 1,323 | 1,496 |
| Reimbursement of Allocated expenses | 8.4 | 1,357 | 1,504 |
| Reimbursement of Selling and marketing expenses | 8.5 | 13,910 | 15,630 |
| Remuneration of Central Depository Company of Pakistan Limited - The trustee | 9 | 1,357 | 1,534 |
| Sindh Sales Tax on remuneration of the Trustee | | 176 | 199 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10 | 136 | 153 |
| Auditors' remuneration | 15 | 804 | 801 |
| Securities transaction cost | | 1,370 | 1,001 |
| Legal fee | | 173 | 400 |
| Listing fee | | 28 | 28 |
| Shariah advisor fee | | 104 | 112 |
| Printing charges | | 72 | 67 |
| Settlement and bank charges | | 420 | 383 |
| Total expenses | | 31,408 | 34,815 |
| Net income / (loss) from operating activities | | 15,312 | (79,886) |
| Reversal for Sindh Workers' Welfare Fund | | - | 15,034 |
| Net income / (loss) for the period before taxation | | 15,312 | (64,852) |
| Taxation | 16 | - | - |
| Net income / (loss) for the period after taxation | | 15,312 | (64,852) |
| Allocation of net income for the period | | | |
| Net Income for the period after taxation | | 15,312 | - |
| Income already paid on units redeemed | | (3) | - |
| | | 15,309 | - |
| Accounting income available for distribution: | | | |
| Relating to capital gain | | - | - |
| Excluding capital gain | | 15,309 | - |
| | | 15,309 | - |

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

| | Year ended | |
|--|----------------------------|------------------------|
| | 2023 | 2022 |
| | ----- Rupees in '000 ----- | |
| Net income / (loss) for the period after taxation | 15,312 | (64,852) |
| Other comprehensive income for the year | - | - |
| Total comprehensive income/ (loss) for the year | <u>15,312</u> | <u>(64,852)</u> |

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2023

| | year ended June 30, | | | | | |
|---|------------------------|----------------------|----------------|----------------|----------------------|----------------|
| | 2023 | | | 2022 | | |
| | (Rupees in '000) | | | | | |
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| Net assets at beginning of the year | 722,940 | (6,390) | 716,550 | 806,978 | 58,462 | 865,440 |
| Issuance of 76,318,268 units (2022: 73,681,289 units) | | | | | | |
| - Capital value | 673,402 | - | 673,402 | 699,000 | - | 699,000 |
| - Element of income / (loss) | 41,770 | - | 41,770 | (24,494) | - | (24,494) |
| Total proceeds on issue of units | 715,172 | - | 715,172 | 674,506 | - | 674,506 |
| Redemption of 85,158,454 units (2022: 83,699,125 units) | | | | | | |
| - Capital value | (751,405) | - | (751,405) | (794,037) | - | (794,037) |
| - Element of income / (loss) | (38,706) | (3) | (38,709) | 35,493 | - | 35,493 |
| Total payments on redemption of units | (790,111) | (3) | (790,114) | (758,544) | - | (758,544) |
| Total comprehensive income/ (loss) for the year | - | 15,312 | 15,312 | - | (64,852) | (64,852) |
| Interim cash distribution for the year ended June 30, 2023 @ Rs. 0.2188 per unit (Date of declaration June 27, 2023) | (6) | (15,513) | (15,519) | - | - | - |
| Net assets at end of the year | 647,995 | (6,594) | 641,401 | 722,940 | (6,390) | 716,550 |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 68,917 | | | 59,366 | |
| - Unrealised loss | | (75,307) | | | (904) | |
| | | (6,390) | | | 58,462 | |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains / loss | | - | | | - | |
| - Excluding capital gains / loss | | 15,309 | | | - | |
| Net Income/ (loss) for the year after taxation | | 15,309 | | | (64,852) | |
| Distribution during the year | | (15,513) | | | - | |
| Undistributed income carried forward | | (6,594) | | | (6,390) | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 25,835 | | | 68,917 | |
| - Unrealised loss | | (32,429) | | | (75,307) | |
| | | (6,594) | | | (6,390) | |
| | | --- | | | --- | |
| Net assets value per unit at beginning of the year | 8.8236 | | | 9.4868 | | |
| Net assets value per unit at end of the year | 8.8630 | | | 8.8236 | | |

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

| | Year ended | |
|---|----------------------------|-----------|
| | 2023 | 2022 |
| | ----- Rupees in '000 ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income / (loss) for the period before taxation | 15,312 | (64,852) |
| Adjustments: | | |
| Net unrealised (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit and loss' | 32,429 | 75,307 |
| Profit on bank profit | (4,073) | (2,063) |
| Reversal of SWWF | - | (15,034) |
| Dividend income | (83,901) | (62,326) |
| | (55,545) | (4,116) |
| Decrease / (increase) in assets | | |
| Investments - net | 56,643 | 71,275 |
| Receivable against issuance of unit | 375 | - |
| Receivable against sell of investment | (3,086) | - |
| | 53,932 | 71,275 |
| Increase / (decrease) in liabilities | | |
| Payable to NBP Fund Management Limited - Management Company | (290) | (479) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (14) | (40) |
| Payable to the Securities and Exchange Commission of Pakistan | (17) | 17 |
| Payable against redemption of units | (1,437) | - |
| Payable against purchase of investment | (3,586) | 3,437 |
| Accrued expenses and other liabilities | 5,389 | 542 |
| | 45 | 3,477 |
| Profit Received on bank deposits | | |
| Mark-up on bank balances received | 3,789 | 65,709 |
| Dividend received | 83,901 | - |
| Net cash generated from operating activities | 101,434 | 71,493 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amounts received on issuance of units - net | 715,172 | 673,631 |
| Amounts paid on redemption of units - net | (790,114) | (757,746) |
| Dividend distributed | (15,519) | - |
| Net cash (used) / generated in financing activities | (90,461) | (84,115) |
| Net increase / (decrease) in cash and cash equivalents during the period | 10,973 | (12,622) |
| Cash and cash equivalents at the beginning of the year | 25,981 | 38,604 |
| Cash and cash equivalents at the end of the year | 36,954 | 25,981 |

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Energy Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited, as the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 25, 2016 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an asset management company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorized as an open ended 'Sharia compliant equity scheme' by the Board of Directors (the Board) of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited.

The objective of the Fund is to provide higher risk adjusted returns to investors by investing in diversified portfolio of Sharia compliant energy sector equity instruments. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has maintained an asset manager rating of AM1 as at June 22, 2023 (2022: AM1) to the Management Company. The Fund has not yet been rated.

The title to the assets of the Fund is held in the name of the CDC as the trustee of the Fund.

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statement 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
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ 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 requirements of the Trust Deed have been followed. These condensed financial statements are unaudited and are being distributed to the unit holders as required by section 227 of the Companies Act (The Act).

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2023.

The Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

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

3.1 Amendments and interpretations to accounting and reporting standards that became effective in the current year

There were certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on July 1, 2022 but does not have any significant impact on the fund's financial reporting and therefore, have not been disclosed in these financial statements.

3.2 Standards and amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Fund

There is a standard and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Fund for the financial year beginning on July 1, 2022. The standard and amendments are not expected to have any material impact on the Fund's financial reporting and, therefore, have not been disclosed in these financial statements.

| 4 | Bank Balances | Note | 2023 | 2022 |
|---|------------------|------|----------------------------|---------------|
| | | | ----- Rupees in '000 ----- | |
| | Current accounts | | 8,680 | 1,346 |
| | Savings accounts | 4.1 | 28,274 | 24,635 |
| | | | <u>36,954</u> | <u>25,981</u> |

4.1 These include saving account that carry profit at the rates ranging from 13.8% to 20% (June 30, 2022: 6.80% to 15.25%) per annum.

| 5 | INVESTMENTS | Note | 2023 | 2022 |
|---|--|------|--------------------------|----------------|
| | | | -----Rupees in '000----- | |
| | Financial assets at fair value through profit or loss | | | |
| | Listed equity securities | 5.1 | 613,845 | 702,917 |
| | | | <u>613,845</u> | <u>702,917</u> |

5.1 Investment in equity securities - listed

All shares have a nominal face value of Rs. 10 each except for shares of K-Electric Limited which have a face value of Rs. 5 .

| Name of the investee company | As at July 01, 2022 | Purchased during the year | Bonus /right issue | Sold during the year | As at June 30, 2023 | Market value as at June 30, 2023 | Market value as a percentage of net assets | Market value as a percentage of total investment | Investment as a percentage of capital of the investee company |
|--|---------------------|---------------------------|--------------------|----------------------|---------------------|----------------------------------|--|--|---|
| ----- Number of shares ----- | | | | | | Rupees in '000 | ----- % ----- | | |
| OIL AND GAS MARKETING COMPANIES | | | | | | | | | |
| Attock Petroleum Limited | 98,300 | - | 18,125 | 107,321 | 9,104 | 2,733 | 0.43% | 0.45% | 0.01 |
| Pakistan State Oil Company Limited | 319,859 | 167,900 | - | 324,629 | 163,130 | 18,109 | 2.82% | 2.95% | 0.03 |
| Hi-Tech Lubricants Limited | 119,640 | - | - | 97,500 | 22,140 | 470 | 0.07% | 0.08% | 0.02 |
| Shell Pakistan Limited | 13,000 | 6,000 | - | 16,000 | 3,000 | 347 | 0.05% | 0.06% | 0.00 |
| Sui Northern Gas Pipelines Limited | 168,700 | 196,000 | - | 150,000 | 214,700 | 8,453 | 1.32% | 1.38% | 0.03 |
| Sui Southern Gas Company | - | 310,000 | - | - | 310,000 | 2,663 | 0.42% | 0.43% | 0.04 |
| | | | | | | 32,775 | 5.11% | 5.34% | |
| OIL AND GAS EXPLORATION COMPANIES | | | | | | | | | |
| Oil and Gas Development Company Limited | 1,569,300 | 455,000 | - | 507,000 | 1,517,300 | 118,349 | 18.45% | 19.28% | 0.04 |
| Pakistan Oilfields Limited | 325,741 | 125,800 | - | 195,270 | 256,271 | 102,962 | 16.05% | 16.77% | 0.09 |
| Pakistan Petroleum Limited | 1,483,096 | 1,021,000 | - | 592,300 | 1,911,796 | 113,064 | 17.63% | 18.42% | 0.07 |
| Mari Petroleum Company Limited | 77,013 | 31,719 | - | 28,910 | 79,822 | 120,901 | 18.85% | 19.70% | 0.06 |
| | | | | | | 455,276 | 70.98% | 74.17% | |
| REFINERY | | | | | | | | | |
| National Refinery Limited | 27,400 | 1,400 | - | 28,800 | - | - | - | 0.00% | - |
| Attock Refinery Limited | 43,700 | 192,772 | - | 42,300 | 194,172 | 33,326 | 5.20% | 5.43% | 0.18 |
| Cnergyico PK Limited | 2,686,500 | - | - | 2,686,500 | - | - | - | 0.00% | - |
| | | | | | | 33,326 | 5.20% | 5.43% | |
| POWER GENERATION AND DISTRIBUTION | | | | | | | | | |
| The Hub Power Company Limited | 1,227,229 | 962,646 | - | 954,000 | 1,235,875 | 85,992 | 13.41% | 14.01% | 0.10 |
| K Electric | - | 2,431,000 | - | - | 2,431,000 | 4,181 | 0.65% | 0.68% | 0.01 |
| Lalpir Power Limited | 153,500 | - | - | - | 153,500 | 2,295 | 0.36% | 0.37% | 0.04 |
| | | | | | | 92,468 | 14.42% | 15.06% | |
| | | | | | | 613,845 | 95.7% | 100% | |
| Carrying value as at June 30, 2023 | | | | | | 646,274 | | | |
| Market value as at June 30, 2022 | | | | | | 702,917 | | | |
| Carrying value as at June 30, 2022 | | | | | | 778,224 | | | |

5.2 Investments include shares with market value amounting to Rs 65.849 million (June 30, 2022: Rs 74.366 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan, the breakup of which is as follows:

| Name of Investee Company | 2023 | | 2022 | |
|------------------------------------|--------------|----------------------------------|--------------|----------------------------------|
| | No of shares | Market value as at June 30, 2023 | No of shares | Market value as at June 30, 2022 |
| | | Rs in '000 | | Rs in '000 |
| The Hub Power Company Limited | 100,000 | 6,958 | 100,000 | 6,817 |
| Mari Petroleum Company Limited | 15,000 | 22,720 | 15,000 | 26,096 |
| Oil & Gas Development Company | 100,000 | 7,800 | 100,000 | 7,867 |
| Pakistan Oilfields Limited | 20,000 | 8,035 | 20,000 | 8,116 |
| Pakistan Petroleum Limited | 250,000 | 14,785 | 250,000 | 16,878 |
| Pakistan State Oil Company Limited | 50,000 | 5,551 | 50,000 | 8,592 |
| | | <u>65,849</u> | | <u>74,366</u> |

| | 2023 | 2022 |
|---|--------------------------|------------------------|
| | -----Rupees in '000----- | |
| 5.3 Unrealised appreciation/(diminution) on re-measurement of investments classified as financial Assets at Fair value through Profit And Loss | | |
| Market value of securities | 613,845 | 702,917 |
| Less: carrying value of securities | (646,274) | (778,224) |
| | <u>(32,429)</u> | <u>(75,307)</u> |

5.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.

Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the prior year. During the prior period, the CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019

In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the prior period were not withheld by the investee companies.

| NAME OF COMPANY | June 30, 2023 | | June 30, 2022 | |
|---|---------------------|-------------------|---------------------|-------------------|
| | Bonus Shares | | | |
| | Number | Market Value | Number | Market Value |
| Pakistan State Oil Company Limited | 4,805 | 533 | 4,805 | 826 |
| | <u>4,805</u> | <u>533</u> | <u>4,805</u> | <u>826</u> |

| | 2023 | 2022 |
|------------------------------------|-------------------------|-------------------|
| | -----Rupees in 000----- | |
| 6 PROFIT RECEIVABLE | | |
| Profit receivable on bank balances | 450 | 166 |
| | <u>450</u> | <u>166</u> |

| 7 | DEPOSIT AND OTHER RECEIVABLE | 2023 | 2022 |
|---|--|-------------------------|--------------|
| | | -----Rupees in 000----- | |
| | Security deposit with Central Depository Company of Pakistan Limited | 100 | 100 |
| | Security deposit with National Clearing Company of Pakistan Limited | 2,500 | 2,500 |
| | Advance tax | 3,004 | 3,004 |
| | | <u>5,604</u> | <u>5,604</u> |

| 8 | PAYABLE TO NBP ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY | 2023 | 2022 | |
|---|---|--------------------------|--------------|--------------|
| | | -----Rupees in '000----- | | |
| | | Note | | |
| | Remuneration of the Management Company | 8.1 | 774 | 872 |
| | Sindh Sales Tax on remuneration of the Management Company | 8.2 | 101 | 113 |
| | Federal Excise Duty payable on remuneration of the Management Company | 8.3 | 583 | 583 |
| | Front end load payable | | 676 | 492 |
| | Federal Excise Duty payable on front end load payable | | 1,501 | 1,501 |
| | Sindh Sales Tax on front end load payable | | 109 | 85 |
| | Reimbursement of Allocated expenses payable | 8.4 | 329 | 363 |
| | Reimbursement of Selling and marketing expenses payable | 8.5 | 3,374 | 3,724 |
| | ADC Share - Payable to Management Company | | 2 | 5 |
| | Other payable | | 16 | 16 |
| | | | <u>7,465</u> | <u>7,754</u> |

8.1 The Management Company has charged its remuneration at the rate of 1.5% per annum of the average annual net assets. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs. 1.323 million (June 2022: Rs. 1.496 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax of Services Act, 2011.

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (HSC) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from April 19, 2016 till June 30, 2016 amounting to Rs 0.583 million (June 30, 2022: Rs 0.583 million) is being retained in these financial statement financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at June 30, 2023 would have been higher by Rs 0.0081 (June 30, 2022: Rs 0.0072) per unit.

8.4 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly, the Management Company based on its own discretion has currently fixed a maximum capping of 0.1% per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 8.5 Management has charged selling and marketing expenses at the below mentioned rates, duly approved by the Board of Directors of the Management Company:

| 2022-2023 | 2021-2022 |
|--|---|
| July 01, 2022 to June 30, 2023 at the rate of 2.05% p.a. | July 01, 2021 to September 19, 2021 at the rate of 2% p.a. and from September 20, 2021 to June 30, 2022 at the rate of 2.05% p.a. |

| | Note | 2023 Rupees in '000 | 2022 |
|--|------|------------------------|------------|
| 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | | | |
| Remuneration of the Trustee | 9.1 | 103 | 116 |
| Sindh Sales Tax on remuneration of the Trustee | | 13 | 15 |
| | | <u>117</u> | <u>131</u> |

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:
On net assets:

- up to Rs 1,000 million
- on an amount exceeding Rs 1,000 million

| | Note | June 30, 2023 | June 30, 2022 |
|---|------|------------------|------------------|
| 10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | | | |
| Annual fee payable | 10.1 | 136 | 153 |

- 10.1 The Fund has charged SECP fee at the rate of 0.02% per annum of the average annual net assets during the current period, (June 2022: 0.02% per annum of the average annual net assets).

| | Note | June 30, 2023 | June 30, 2022 |
|--|------|------------------|------------------|
| 11 ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Auditors' remuneration | | 728 | 598 |
| Printing charges payable | | 41 | 29 |
| Bank charges payable | | 74 | 60 |
| Charity payable | | 6,847 | 4,103 |
| Legal and professional charges payable | | 134 | 107 |
| Brokerage payable | | 65 | 161 |
| Shariah advisor fee payable | 11.1 | 110 | 119 |
| Withholding tax payable | | 2,436 | 58 |
| Capital gain tax payable | | 15 | 70 |
| Dividend Payble | | 245 | - |
| Settlement charges | | 54 | 55 |
| | | <u>10,749</u> | <u>5,360</u> |

- 11.1** According to the instructions of the Shariah advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes.

During the year, non Shariah compliant income amounting to Rs. 4.873 million (2022: Rs. 2.680 million) was recorded in the books of the Fund. This will be distributed as charity after the approval of Shariah Advisor. The dividend income is recorded net of charity portion.

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2023 and June 30, 2022.

13 NUMBER OF UNITS IN ISSUE

| | 2023 | 2022 |
|---|---------------------------|-------------------|
| | ---- Number of Units ---- | |
| Total units in issue at the beginning of the year | 81,208,268 | 91,226,104 |
| Units issued during the year | 76,318,269 | 73,681,289 |
| Units redeemed during the year | (85,158,454) | (83,699,125) |
| Total units in issue at the end of the year | <u>72,368,083</u> | <u>81,208,268</u> |

14 NET ASSET VALUE PER UNIT

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

15 AUDITOR'S REMUNERATION

| | 2023 | 2022 |
|--------------------------|------------------------|------------|
| | ----Rupees in '000---- | |
| Annual audit fee | 448 | 377 |
| Half yearly review fee | 192 | 162 |
| Income certification fee | 68 | - |
| Out of pocket expenses | 96 | 262 |
| | <u>804</u> | <u>801</u> |

16 TAXATION

The income of the Fund 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 ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% net accounting income other than capital gains to the unit holders. 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. Since the Management Company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these financial statement financial statements.

17 EARNINGS / (LOSS) PER UNIT

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

18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended June 30, 2023 is 4.63% (June 30, 2022: 4.54%) which includes 0.24% (June 30, 2022: 0.24%) representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

19.1 Transactions with related parties / connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

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

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

| | 2023 | 2022 |
|---|-----------------------------|--------|
| | ----- Rupees in '000' ----- | |
| NBP Fund Management Limited - Management Company | | |
| Remuneration of the Management Company | 10,178 | 11,506 |
| Sindh Sales Tax on remuneration of the Management Company | 1,323 | 1,496 |
| Sales and transfer load | 206 | 446 |
| Sindh Sales Tax on sales load | 27 | 58 |
| ADC Charges including SST | - | 3 |
| Reimbursement of Allocated Expenses | 1,357 | 1,504 |
| Reimbursement of Selling & Marketing Expense | 13,910 | 15,630 |
| Central Depository Company of Pakistan Limited (Trustee) | | |
| Remuneration of the Trustee | 1,357 | 1,534 |
| Sindh Sales Tax on remuneration of the Trustee | 176 | 199 |
| Pakistan Stock Exchange Limited - common directorship* | | |
| Listing Fee | - | 28 |
| Farida Ali Asghar (more than 10% holding) | | |
| Dividend Re-invest units issued - 424,328 units (2022: Nil Units) | 3,762 | - |
| Key management personnel of the Management Company | | |
| Dividend Re-invest units issued - 7,680 units (2022: Nil Units) | 68 | - |
| Units issued - Transferred in - 9,678,918 units (2022: 9,496,407 Units) | 88,766 | 85,943 |
| Units Redeemed - Transferred out - 10,298,879 (2022: 9,954,048 Units) | 94,484 | 90,086 |
| Taurus Securities Limited - common directorship | | |
| Brokerage Expense | 95 | 65 |
| National Clearing Company of Pakistan Limited - common directorship* | | |
| NCCPL Charges | - | 335 |

| | 2023 | 2022 |
|---|-----------------------------|---------|
| | ----- Rupees in '000' ----- | |
| Portfolio managed by Management Company* | | |
| Units issued - Transferred in - Nil units (2022: 4,192,213 Units) | - | 40,000 |
| Units Redeemed - Transferred out - Nil units (2022: 4,192,213 Units) | - | 38,915 |
| K-Electric Limited - Common directorship** | | |
| Shares purchased: 2,431,000 shares (2022: Nil Shares) | 6,828 | - |
| Bank Islami Pakistan - common directorship* | | |
| Profit on Bank Deposit | - | 1,214 |
| 19.4 Amounts outstanding as at period / year end are as follows: | | |
| NBP Fund Management Limited - Management Company | | |
| Remuneration payable of the Management Company | 774 | 872 |
| Sindh Sales Tax on remuneration of the Management Company | 101 | 113 |
| Federal excise duty payable on remuneration of the -Management Company | 583 | 583 |
| Reimbursement of allocated expenses payable | 329 | 363 |
| Reimbursement of Selling and marketing expenses | 3,374 | 3,724 |
| Sales load and transfer load payable | 676 | 492 |
| Federal excise duty payable on sales load | 1,501 | 1501 |
| Sindh sales tax payable on sales load | 109 | 85 |
| Other payable | 16 | 16 |
| ADC share- Payable to AMC | 2 | 5 |
| Central Depository Company of Pakistan Limited (Trustee) | | |
| Remuneration of the Trustee | 103 | 116 |
| Sindh Sales Tax on remuneration of the Trustee | 13 | 15 |
| Security deposit | 100 | 100 |
| Key management personnel of management Company | | |
| Units held 401,980 (June 2022 : 1,014,255 units) | 3,563 | 8,949 |
| Bank Islami Pakistan Limited- Common Directorship* | | |
| Bank Balances | - | 20,973 |
| Profit receivable | - | 105 |
| National Bank of Pakistan (Parent Company) | | |
| Bank Balances | 16 | 103 |
| Taurus Securities Limited - Subsidiary of Parent Company | | |
| Brokerage payable | 28 | 19 |
| Farida Ali Asghar (More than 10% shareholding) | | |
| Units Held: 20,652,569 (2022: 20,228,242 units) | 183,044 | 178,486 |

| | 2023 | 2022 |
|---|-----------------------------|-------|
| | ----- Rupees in '000' ----- | |
| Portfolio managed by the Management Company* | | |
| Units held Nil. units (June 30, 2022: 352,267 units) | - | 3,108 |
| National Clearing Company of Pakistan Limited* | | |
| Security Deposit | - | 2,500 |
| NCCPL charges payable | - | 55 |
| K-Electric Limited (Common Directorship)** | | |
| Shares held: 2,431,000 (June 2022: Nil.) | 4,181 | - |

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

**Prior period balances with these parties have not been disclosed as they were not connected person and related parties during prior periods.

20 FINANCIAL INSTRUMENTS BY CATEGORY

| | At fair value through profit or loss | At amortized cost | Total |
|--|--|----------------------|----------------|
| | ----- Rupees in '000' ----- | | |
| June 30, 2023 | | | |
| Financial assets | | | |
| Bank balances | - | 36,954 | 36,954 |
| Investments | 613,845 | - | 613,845 |
| Profit receivable | - | 450 | 450 |
| Deposits and other receivable | - | 5,604 | 5,604 |
| Receivable against sell of investment | - | 3,086 | 3,086 |
| | 613,845 | 46,094 | 659,939 |
| Financial liabilities | | | |
| Payable to NBP Fund Management Limited - the Management Company | - | 7,465 | 7,465 |
| Payable to Central Depository Company of Pakistan - the Trustee | - | 117 | 117 |
| Payble against redemption of units | - | 571 | 571 |
| Payable against purchase of investments | - | - | - |
| Accrued expenses and other liabilities | - | 10,749 | 10,749 |
| | - | 18,902 | 18,902 |

June 30, 2022

Financial assets

| | At fair value through profit or loss | At amortized cost | Total |
|--------------------------------|--------------------------------------|-------------------|----------------|
| Bank balances | - | 25,981 | 25,981 |
| Investments | 702,917 | - | 702,917 |
| Profit receivable | - | 166 | 166 |
| Deposits and other receivables | - | 2,600 | 2,600 |
| | <u>702,917</u> | <u>28,747</u> | <u>731,664</u> |

Financial liabilities

| | | | |
|---|---|---------------|---------------|
| Payable to NBP Fund Management Limited - the Management Company | - | 7,754 | 7,754 |
| Payable to Central Depository Company of Pakistan Limited - the Trustee | - | 131 | 131 |
| Payable against redemption of units | - | 2,008 | 2,008 |
| Payable against purchase of investments | - | 3,586 | 3,586 |
| Accrued expenses and other liabilities - | | 5,232 | 5,232 |
| | - | <u>18,711</u> | <u>18,711</u> |

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk, and price risk.

21.2 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As at June 30, 2021, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

21.3 Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.283 million (2022: Rs. 0.246 million).

21.4 Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

| June 30, 2023 | | | |
|---------------------------|-------------------------------------|---|-------|
| Effective profit rate (%) | Exposed to yield / profit rate risk | Not exposed to yield / profit rate risk | Total |
| | Up to three months | | |

Rupees in '000

Financial assets

| | | | | |
|---------------------------------------|------------|--------|---------|---------|
| Bank balances | 13.8% -20% | 28,274 | 8,680 | 36,954 |
| Investments | | - | 613,845 | 613,845 |
| Profit receivable | | - | 450 | 450 |
| Deposits and other receivables | | - | - | - |
| Receivable against sell of investment | | - | 3,086 | 3,086 |
| Dividend receivable | | - | - | - |
| | | 28,274 | 626,061 | 654,335 |

Financial liabilities

| | | | | |
|---|--|---|--------|--------|
| Payable to NBP Fund Management Limited - Management Company | | - | 7,465 | 7,465 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | 117 | 117 |
| Payable to the Securities and Exchange Commission of Pakistan | | - | 136 | 136 |
| Accrued expenses and other liabilities | | - | 10,749 | 10,749 |
| | | - | 18,467 | 18,467 |

| | | | | |
|---|--|---------------|----------------|----------------|
| On-balance sheet gap | | 28,274 | 607,594 | 635,868 |
| Total profit rate sensitivity gap | | 28,274 | | |
| Cumulative profit rate sensitivity gap | | 28,274 | | |

| June 30, 2022 | | | |
|---------------------------|-------------------------------------|---|-------|
| Effective profit rate (%) | Exposed to yield / profit rate risk | Not exposed to yield / profit rate risk | Total |
| | Up to three months | | |

Rupees in '000

| | | | | |
|---|------------|--------|---------|---------|
| Financial assets | | | | |
| Bank balances | 6.8%-15.5% | 24,635 | 1,346 | 25,981 |
| Investments | | - | 702,917 | 702,917 |
| Profit receivable | | - | 166 | 166 |
| Deposits and other receivables | | - | 2,600 | 2,600 |
| Dividend receivable | | - | - | - |
| | | 24,635 | 707,028 | 731,664 |
| Financial liabilities | | | | |
| Payable to NBP Fund Management Limited - the Management Company | | - | 7,754 | 7,754 |
| Payable to Central Depository Company of Pakistan - the Trustee | | - | 131 | 131 |
| Payable to Central Depository Company of Pakistan - the Trustee | | - | 2,008 | 2,008 |
| Accrued expenses and other liabilities | | - | 3,747 | 3,586 |
| | | - | 5,071 | 5,232 |
| | | - | 18,711 | 18,711 |
| On-balance sheet gap | | 24,635 | 688,317 | 712,953 |
| Total profit rate sensitivity gap | | 24,635 | | |
| Cumulative profit rate sensitivity gap | | 24,635 | | |

22 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 as the items are either short-term in nature or repriced periodically.

22.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

22.2 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the trust deed. The NBFC Regulations also limit individual equity securities to no more than 20% of net assets. There is no sector exposure limit on sector specific fund under NBFC Regulations.

In case of 5% increase / decrease in KMI 30 index on June 30, 2023, with all other variables held constant, the net loss of the Fund for the year would decrease / increase by Rs. 30.692 million (2022: Rs. 35.146 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI 30 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

22.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

| Within 1 month | Financial instruments with no fixed maturity | Total |
|----------------|--|-------|
|----------------|--|-------|

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

June 30, 2023

Financial assets

Bank balances
Investments
Profit receivable
Deposits and other receivables

| | | |
|---------------|----------------|----------------|
| 36,954 | - | 36,954 |
| - | 613,845 | 613,845 |
| 450 | - | 450 |
| - | 2,600 | 2,600 |
| 37,404 | 616,445 | 653,849 |

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to Central Depository Company of Pakistan - the Trustee
Payable against redemption of units
Payable against purchase of investments
Accrued expenses and other liabilities

| | | |
|---------------|----------|---------------|
| 7,465 | - | 7,465 |
| 117 | - | 117 |
| 571 | - | 571 |
| - | - | - |
| 8,233 | - | 8,233 |
| 16,386 | - | 16,386 |

Net assets

| | | |
|---------------|----------------|----------------|
| 21,017 | 616,445 | 637,463 |
|---------------|----------------|----------------|

| Within 1 month | Financial instruments with no fixed maturity | Total |
|----------------|--|-------|
|----------------|--|-------|

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

June 30, 2022

Financial assets

Bank balances
Investments
Profit receivable
Deposits and other receivables
Receivable against sale of investments

| | | |
|---------------|----------------|----------------|
| 25,981 | - | 25,981 |
| - | 702,917 | 702,917 |
| 166 | - | 166 |
| - | 2,600 | 2,600 |
| - | - | - |
| 26,147 | 705,517 | 731,664 |

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Payable against redemption of units
Payable against purchase of investments
Accrued expenses and other liabilities

| | | |
|---------------|----------|---------------|
| 7,754 | - | 7,754 |
| 131 | - | 131 |
| 2,008 | - | 2,008 |
| 3,586 | - | 3,586 |
| 5,232 | - | 5,232 |
| 18,711 | - | 18,711 |

Net assets

| | | |
|--------------|----------------|----------------|
| 7,436 | 705,517 | 712,953 |
|--------------|----------------|----------------|

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

| | June 30, 2023 | | June 30, 2022 | |
|---------------------------------------|---------------------------------|--|---------------------------------|--|
| | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities |
| Bank balances | 36,954 | 36,954 | 25,981 | 25,981 |
| Investments | 613,845 | - | 702,917 | - |
| Profit receivable | 450 | 450 | 166 | 166 |
| Deposits and other receivables | 2,600 | 2,600 | 2,600 | 2,600 |
| Receivable against sell of investment | 3,086 | 3,086 | - | - |
| Receivable against issuance of units | 500 | 500 | 875 | 875 |
| | 657,435 | 43,590 | 732,539 | 29,622 |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

23 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of bank balances is as follows:

| | Credit Rating | June 30, 2023 | June 30, 2022 |
|--|---------------|--------------------------------------|--------------------------------------|
| | | % of financial asset exposed to risk | % of financial asset exposed to risk |
| Habib Bank Limited United Bank Limited Meezan Bank Limited Allied Bank Limited National Bank of Pakistan MCB Bank Limited | AAA | 4.25 | 0.97 |
| Habib Metropolitan Bank Limited Bank Alfalah Limited | AA+ | 1.15 | - |
| Dubai Islamic Bank Limited | AA | 0.02 | 0.24 |
| JS Bank Limited | AA- | 0.01 | 0.09 |
| Bank Islami Pakistan | A+ | 0.22 | 3.44 |
| Silk Bank Limited | A- | 0.01 | - |
| Summit Bank Limited | Suspended* | - | 0.03 |

24 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.

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.

24.1 Fair value hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

24.2

----- As at June 30, 2023 -----

| LEVEL 1 | LEVEL 2 | LEVEL 3 |
|---------------------------|---------|---------|
| ----- Rupees in 000 ----- | | |

ASSETS

Financial Assets

- At Fair value through P&L

| | | |
|---------|---|---|
| 613,845 | - | - |
|---------|---|---|

ASSETS

Financial Assets

- At Fair value through P&L

| LEVEL 1 | LEVEL 2 | LEVEL 3 |
|---------------------------|---------|---------|
| ----- Rupees in 000 ----- | | |

| | | |
|---------|---|---|
| 702,917 | - | - |
|---------|---|---|

25 UNIT HOLDING PATTERN OF THE FUND

| Category | 2023 | | | 2022 | | |
|------------------|------------------------|------------------------------------|---------------------|------------------------|------------------------------------|---------------------|
| | Number of unit holders | Investment amount (Rupees in '000) | Percentage of total | Number of unit holders | Investment amount (Rupees in '000) | Percentage of total |
| Individuals | 877 | 407,911 | 63.60 | 1,051 | 549,563 | 76.70 |
| Insurance | 1 | 37,233 | 5.80 | 1 | 7 | 0.00 |
| Retirement Funds | 2 | 15,384 | 2.40 | 5 | 40,940 | 5.71 |
| Others | 8 | 180,873 | 28.20 | 8 | 126,041 | 17.59 |
| | 888 | 641,401 | 100% | 1,065 | 716,551 | 100% |

26 LIST OF TOP TEN BROKERS BY PERCENTAGE

| ----- 2023 ----- | | ----- 2022 ----- | |
|--------------------------------------|-------------------------------|--|-------------------------------|
| Name of broker | Percentage of commission paid | Name of broker | Percentage of commission paid |
| Taurus Securities Ltd. | 6.96% | Aba Ali Habib Securities (Pvt) Limited | 8.52% |
| J.S. Global Capital Ltd. | 5.26% | Taurus Securities Ltd. | 6.54% |
| Bma Capital Management Limited | 4.96% | Sherman Securities (Pvt) Limited | 5.94% |
| Foundation Securities | 4.80% | Foundation Securities | 5.32% |
| Insight Securities (Pvt.) Limited | 4.71% | Bma Capital Management Limited | 4.92% |
| Arif Habib Securities Limited | 4.53% | Alfalah Securities (Pvt) Limited | 4.60% |
| Trust Securities & Brokerage Limited | 4.21% | Multi Line Securities | 4.48% |
| Alfalah Securities (Pvt) Limited | 4.18% | D.J.M Securities (Pvt) Limited | 4.47% |
| Optimus Capital Management Limited | 4.17% | Intermarket Securities | 4.33% |
| Topline Securities Limited | 4.09% | Efg Hermes Pakistan Ltd | 4.29% |

27 LIST OF TOP TEN BROKERS BY PERCENTAGE

| Name | Qualification | Overall experience in years |
|---------------------|--|-----------------------------|
| Dr. Amjad Waheed | MBA / Doctorate in Business Administration / CFA | 35 |
| Mr. Asim Wahab Khan | CFA | 17 |
| Mr. Hassan Raza | ACCA / BSC / CFA | 12 |
| Mr. Asim Khatri | CFA / ACCA | 10 |

28 MEETINGS OF BOARD OF THE MANAGEMENT COMPANY

The 86th, 87th, 88th, 89th, 90th and 91st Board Meetings were held on July 06, 2022, September 27, 2022, October 29, 2022, February 21, 2023 and April 29, 2023 and June 1, 2023 respectively. Information in respect of attendance by directors in the meetings is given below:

| Name of the Director | Number of meetings | | | Meetings not attended |
|-----------------------------------|--------------------|----------|---------------|-----------------------|
| | Held / applicable | Attended | Leave Granted | |
| Shaikh Muhammad Abdul Wahid Sethi | 6 | 6 | - | - |
| Tauqeer Mazhar | 6 | 5 | 1 | 91st Meeting |
| Mehnaz Salar | 6 | 6 | - | - |
| Ali Saigol | 6 | 6 | - | - |
| Imran Zaffar | 6 | 5 | 1 | 89th Meeting |
| Khalid Mansoor | 6 | 6 | - | - |
| Saad Amanullah Khan | 6 | 6 | - | - |
| *Humayun Bashir | 2 | 2 | - | - |
| **Ruhail Muhammad | 3 | 3 | - | - |
| Amjad Waheed | 6 | 6 | - | - |

*Mr. Humayun Bashir retired from the Board with effect from October 04, 2022

**Mr. Ruhail Muhammad opted as Director on the Board with effect from October 04, 2022

29 CORRESPONDING FIGURES

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

30 GENERAL

Figures in these financial statements have been rounded off to the nearest thousand of rupees.

No significant rearrangements or reclassifications have been made in these financial statements during the current period.

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of the Management Company on **September 15, 2023**.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

| Particulars | For the year ended June 30, 2023 | For the year ended June 30, 2022 | For the year ended June 30, 2021 | For the year ended June 30, 2020 | For the year ended June 30, 2019 | For the year ended June 30, 2018 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Net assets at the year / period ended (Rs '000) | 641,401 | 716,550 | 865,440 | 598,559 | 666,036 | 1,647,183 |
| Net income for the year / period ended (Rs '000) | 15,312 | (64,852) | 48,197 | (32,995) | (360,298) | (86,123) |
| Net Asset Value per unit at the year / period ended (Rs) | 8.8630 | 8.8236 | 9.4868 | 8.4866 | 9.1493 | 12.6711 |
| Offer Price per unit | 9.1635 | 9.1227 | 9.8084 | 8.7743 | 9.4595 | 13.1007 |
| Redemption Price per unit | 8.8630 | 8.8236 | 9.4868 | 8.4866 | 9.1493 | 12.6711 |
| Ex - Highest offer price per unit (Rs.) | 10.4701 | 9.9206 | 10.7422 | 11.6523 | 13.0998 | 14.7179 |
| Ex - Lowest offer price per unit (Rs.) | 8.3468 | 8.6301 | 8.5568 | 6.645 | 9.1925 | 12.0731 |
| Ex - Highest redemption price per unit (Rs.) | 10.1268 | 9.5953 | 10.3900 | 11.2702 | 12.6703 | 14.2353 |
| Ex - Lowest redemption price per unit (Rs.) | 8.0731 | 8.3471 | 8.2763 | 6.4271 | 8.8911 | 11.6772 |
| Fiscal Year Opening Ex NAV | 8.6113 | 9.4868 | 8.2754 | 9.1493 | 12.6711 | 13.0957 |
| Total return of the fund | 2.92% | -6.99% | 14.64% | -7.24% | -27.80% | -3.24% |
| Capital growth | 0.46% | -6.99% | 12.09% | -7.24% | -27.80% | -3.24% |
| Income distribution as a % of ex nav | 2.46% | 0.00% | 2.55% | - | - | - |
| Income distribution as a % of par value | 2.19% | 0.00% | 0 | - | - | - |
| Distribution | | | | | | |
| Interim distribution per unit | 0.2188 | 0 | 0.2458 | - | - | - |
| Final distribution per unit | 0 | 0 | - | - | - | - |
| Distribution Dates | | | | | | |
| Interim | 27-Jun-23 | 0 | 28-Jun-21 | - | - | - |
| Final | | | | | | |
| Total return of the fund (launch date April 21, 2016) | | | | | | |
| (Since inception to June 30, 2023) | 0.40% | | | | | |
| (Since inception to June 30, 2022) | | 0.003% | | | | |
| (Since inception to June 30, 2021) | | | 1.41% | | | |
| (Since inception to June 30, 2020) | | | | -1.51% | | |
| (Since inception to June 30, 2019) | | | | | 1.10% | |
| (Since inception to June 30, 2018) | | | | | | 16.61% |
| (Since inception to June 30, 2017) | | | | | | |
| (Since inception to June 30, 2016) | | | | | | |
| Portfolio Composition (Please see Fund Manager Report) | | | | | | |

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up

PROXY ISSUED BY THE FUND

The proxy voting policy of **NBP Islamic Energy Fund** duly approved by Board of Directors of the Management Company, is available on the website of NBP Fund Management Limited i.e. www.nbpfunds.com. A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

| NBP ISLAMIC ENERGY FUND | | | |
|-------------------------|------|---------|---------|
| Resolutions | For | Against | Abstain |
| 1 | 1 | Nil | N/A |
| 100% | 100% | - | - |

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