

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگ

NBP Fund Management Limited



NBP ISLAMIC STOCK 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 Shakra-e-Faisal, Karachi.

Bankers to the Fund

Al Baraka Islamic Bank Limited	JS Bank Limited
Allied Bank Limited	MCB Bank Limited
Bank Alfalah Limited	Meezan Bank Limited
Bank Al Habib Limited	National Bank of Pakistan
Bankislami Pakistan Limited	Silk Bank Limited
Dubai Islamic Bank Pakistan Limited	Summit Bank Limited
Habib Bank Limited	United Bank Limited
Habib Metropolitan Bank Limited	



Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

Legal Advisor

Akhund Forbes
D-21, Block, 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
Phone: 051-2514987
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



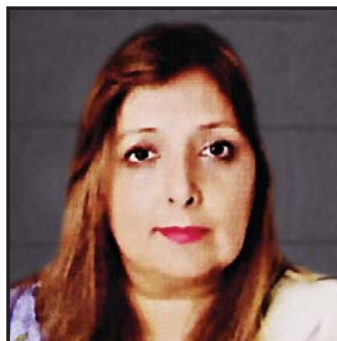
Mr. Tauqeer Mazhar
Director



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 Limited is pleased to present the Ninth Annual Report of **NBP Islamic Stock Fund (NISF)** for the year ended June 30, 2023.

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.

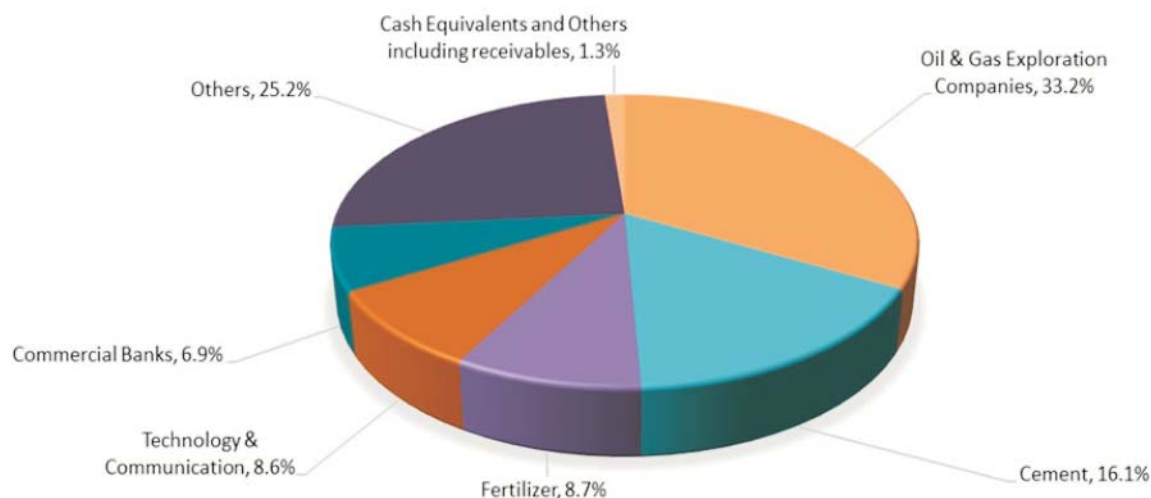
The stock market performance remained subdued during the outgoing year as investors' confidence remained fragile shaped by worsening political and macro-economic outlook. On economic front, the precarious situation on balance of payment (BOP) troubled investors. Though the current account deficit (CAD), 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 buy back 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 Stock Fund decreased by 2.1% as against the KMI-30 index increased by 2.9%, underperforming the benchmark by 5.0% during the year. The Fund underperformance during the year was because the Fund was underweight in key stocks in Cement, Fertilizer, Inv. Banks / Inv. Cos. / Securities Cos, Oil & Gas Marketing Companies, and Oil & Gas Exploration Companies, sectors that outperformed the market and was overweight in key stocks in Cable & Electrical Goods, Engineering, Glass & Ceramics, Transport and Textile Composite, sectors that underperformed the market. Since the inception of the Fund, the return on NBP Islamic Stock Fund was 34.0% as against the Benchmark KMI-30 index return of 34.9%. Thus, the Fund underperformed by 0.9% during the period. This underperformance is net of management fee and all other expenses. The Fund size is 2,118 mln as of June 30, 2023.

NBP Islamic Stock Fund has earned a total income of Rs. 87.45 million during the year. After incurring total expenses of Rs. 176.53 million, the net loss is Rs. 89.08 million. During the year, the unit price of NBP Islamic Stock Fund has decreased from Rs. 10.6059 (Ex-Div) on June 30, 2022 to Rs. 10.3856 on June 30, 2023. The resultant per unit loss is Rs. 0.2203 (-2.10%).

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



Income Distribution

Due to net loss for the year, no distribution has been made.

Taxation

On account of net loss, no provision for taxation was made in the financial statements of the Fund.

Auditors

The present auditors, Messrs Yousuf Adil 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 23 to these financial statements.

11. The detailed pattern of unit holding is disclosed in the note 22 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	<ol style="list-style-type: none">1. Mr. Khalid Mansoor2. Mr. Saad Amanullah Khan3. Mr. Ruhail Muhammad4. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	<ol style="list-style-type: none">1. Shaikh Muhammad Abdul Wahid Sethi (Chairman)2. Mr. Tauqeer Mazhar3. Ms. Mehnaz Salar4. Mr. Ali Saigol5. 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 مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز این بی پی اسلامک اسٹاک فنڈ کی نوویں سالانہ رپورٹ برائے اختتامہ سال 30 جون 2023 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 2023 کی ایکویٹیز کے لیے ماپوں 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۔

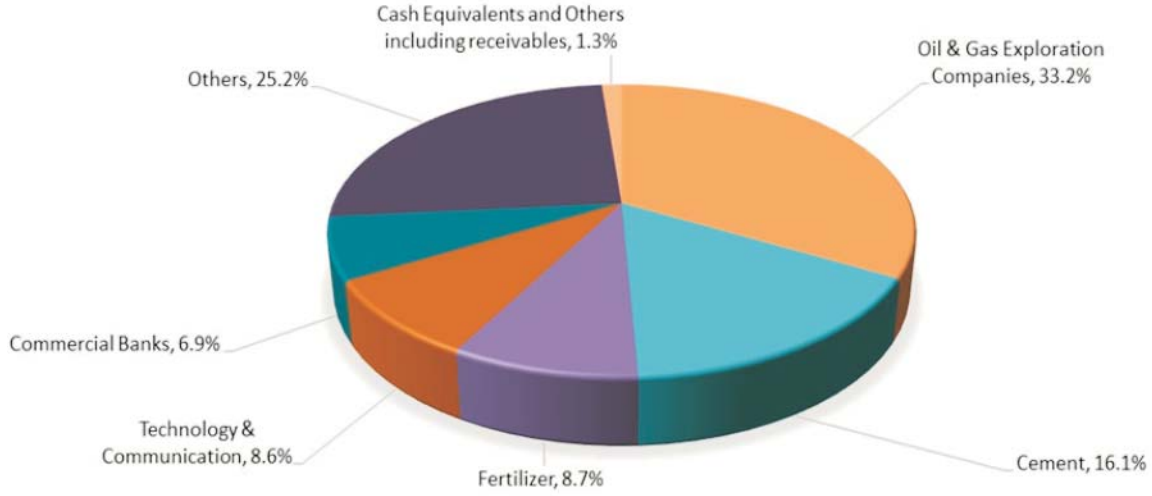
رواں سال کے دوران اسٹاک مارکیٹ کی کارکردگی کم رہی کیونکہ خراب سیاسی اور بیکرواکنک نقطہ نظر کی وجہ سے سرمایہ کاروں کا اعتماد کمزور رہا۔ معاشی محاذ پر، ادائیگی کے توازن (BOP) کی نازک صورتحال نے سرمایہ کاروں کو پریشان کیا۔ اگرچہ کرنٹ اکاؤنٹ خسارہ (CAD) جو کہ گزشتہ سال 17.5 بلین امریکی ڈالر کے مقابلے میں 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 تشویش کا باعث بنی ہوئی ہے۔ آئی ایم ایف کی شرائط پوری کرنے میں تاخیر کی وجہ سے پروگرام تعطیل کا شکار رہا اور بیرونی رقوم 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 زبردست کمی کے درمیان، پاکستانی روپیہ نے مالی سال 23 کے دوران بڑے پیمانے پر قدر میں تقریباً 40% کی کمی دکھی جس سے مارکیٹ کے حالات بھی مجروح ہوئے۔ غیر معمولی بارشوں نے ملک میں بڑے پیمانے پر سیلاب کی وجہ سے نہ صرف تباہی پھائی بلکہ معاشی نقطہ نظر کو مزید خراب کر دیا کیونکہ سال کے دوران جی ڈی پی کی شرح مجموعی 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 کووڈی اپ سائیکل اور خوردہ ایندھن اور بجلی کی قیمتوں میں ایڈجسٹمنٹ کی وجہ سے پہلے ہی عروج پر تھی، مزید بڑھ گئی کیونکہ سپلائی میں شدید رکاوٹ 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 لسٹڈ 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۔ کینیڈا مارکیٹ سے متعلق پچھلے سال کے دوران ایک اہم پہلو اسپانسر بے بیک پروگرام تھا جو کہ ایک اہم ریڈیٹنگ عنصر رہا جہاں تقریباً 28 بلین روپے کی مجموعی بائی بیکس کا اعلان کیا گیا جو ان کی اپنی کمپنیوں میں اسپانسر کے بے پناہ اعتماد کی عکاسی کرتا ہے۔

سیکٹروں کی کارکردگی کے لحاظ سے سینٹ، کیمیکل، بینک، فرنیچر، آئل اینڈ گیس ایکسپلوریشن کمپنیاں، پاور جنریشن اینڈ ڈسٹری بیوٹن، شوگر اینڈ لائیو اینڈ ٹیکسٹائل، اور ٹیکسٹائل اور کیونٹیکسٹیشن سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس، آٹو سٹیمبلرز، آٹو پارٹس اور اسپریرز، کیمبل اور الیکٹریکل سامان، انجینئرنگ، فوڈ اینڈ پراسسنگ، گلاس اینڈ سٹریکس، انشورنس، لیڈر اینڈ ٹیکسٹائل، متفرقات، آئل اینڈ گیس مارکیٹنگ، پیپر اینڈ بورڈ، فارماسیوٹیکل، ریفرنسری، ٹیکسٹائل کمپوزٹ، اور تباہی کے شعبوں نے مارکیٹ سے اتر کر 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 اسٹاک فنڈ میں KMI-30 انڈیکس کے 2.9% اضافہ کے مقابلے میں 2.1% کم ہوا، سال کے دوران بیچ مارک 5.0% کی اتر کر کارکردگی دکھائی۔ فنڈ نے سال کے دوران اتر کر کارکردگی کا مظاہرہ کیا کیونکہ فنڈ نے سینٹ، کھادوں، انویسٹمنٹ بینکوں/انویسٹمنٹ کارپوریشنز/سیکورٹیز کارپوریشنز، آئل اینڈ گیس مارکیٹنگ کمپنیوں، اور آئل اینڈ گیس ایکسپلوریشن کمپنیوں کے شعبوں میں اہم اسٹاک کو کم اہمیت دی جنہوں نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا اور کیمبل اینڈ الیکٹریکل اشیاء، انجینئرنگ، گلاس اور سٹریکس، ٹرانسپورٹ اور ٹیکسٹائل کمپوزٹ، وہ شعبے ہیں جنہوں نے مارکیٹ میں اتر کر کارکردگی کا مظاہرہ کیا، ان کے اہم اسٹاک کو زیادہ اہمیت دی گئی۔ جس کے باعث کارکردگی اتر رہی۔ فنڈ کے آغاز کے بعد سے NBP اسلامک اسٹاک فنڈ 34.9% کے بیچ مارک KMI-30 انڈیکس منافع کے مقابلے میں 34.0% رہا، لہذا فنڈ نے اسی مدت کے دوران 0.9% کی اتر کر کارکردگی دکھائی۔ یہ اتر کر کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ 30 جون 2023 کو فنڈ کا سائز 2,118 بلین روپے ہے۔

NBP اسلامک اسٹاک فنڈ (NISF) کو اس مدت کے دوران 87.45 بلین روپے کی کل آمدنی ہوئی۔ 176.53 بلین روپے کے اخراجات منہا کرنے کے بعد خالص نقصان 89.08 بلین روپے ہے۔ سال کے دوران، NBP اسلامک اسٹاک فنڈ کی قیمت 30 جون 2022 کو (Ex-Div) 10.6059 روپے سے کم ہو کر 30 جون 2023 کو 10.3856 روپے ہو گئی۔ جس کے نتیجے میں فی یونٹ نقصان 0.2203 روپے (-2.10%) ہے۔

30 جون 2023 کو NBP اسلامک اسٹاک فنڈ کی ایسٹیلیویشن درج ذیل ہے:



آمدنی کی تقسیم

سال کے خالص نقصان کی وجہ سے، کوئی تقسیم نہیں کی گئی ہے۔

ٹیکسیشن

خالص نقصان کے سبب، فنڈ کے مالیاتی گوشوارے میں ٹیکس کا کوئی پروویژن نہیں رکھا گیا۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2024 کو ختم ہونے والے سال کے لئے اپنے آپ کو دوبارہ تفری کے لئے پیش کرتے ہیں۔

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

- 1 مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور بونٹ 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۔ شہرہ آفاق تھینے 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 دواں 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 ٹیبل / اہم مالیاتی ڈیٹا اس سال انڈر پورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 23 میں ظاہر کی گئی ہے۔
- 11 بونٹ ہولڈنگ کا تفصیلی پیننر مالیاتی گوشواروں کے نوٹ 22 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 یونٹس 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 فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ زیر جائزہ مدت 30 جون 2023 کے دوران بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل رہا۔

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

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ 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 اسٹاک اور رٹرن کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

مخائبہ بورڈ آف ڈائریکٹرز

NBP فنانس 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 Stock 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 Stock Fund

NBP Islamic Stock Fund is a Shariah Compliant - Open-end - Equity Fund

Investment Objective of the Fund

The objective of NBP Islamic Stock Fund is to provide investors with long term capital growth from an actively managed portfolio invested primarily in Shariah Compliant listed companies in Pakistan.

Benchmark

The Benchmark of the Fund is KMI-30 Index.

Fund performance review

This is the Ninth annual report of the Fund. During the fiscal year, NBP Islamic Stock Fund decreased by 2.1% as against the KMI-30 index increased by 2.9%, underperforming the benchmark by 5.0% during the year. Since the inception of the Fund, the return on NBP Islamic Stock Fund was 34.0% as against the Benchmark KMI-30 index return of 34.9%. Thus, the Fund underperformed by 0.9% during the period. This underperformance is net of management fee and all other expenses. The Fund size is 2,118 mln as of June 30, 2023.

NISF underperformed during the year was because the Fund was underweight in key stocks in Cement, Fertilizer, Inv. Banks / Inv. Cos. / Securities Cos, Oil & Gas Marketing Companies, and Oil & Gas Exploration Companies, sectors that outperformed the market and was overweight in key stocks in Cable & Electrical Goods, Engineering, Glass & Ceramics, Transport and Textile Composite, sectors that underperformed the market.

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

NISF 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 buy back 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	98.7%	97.9%
Cash Equivalentents	3.7%	2.8%
Other Net Liabilities	(2.4%)	(0.7%)
Total	100.0%	100.0%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	162
1-1000	1,191
1001-5000	394
5001-10000	217
10001-50000	437
50001-100000	128
100001-500000	136
500001-1000000	15
1000001-5000000	11
5000001-10000000	3
10000001-100000000	3
Total	2,697

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. The Fund does not have any soft commission arrangement with any broker in the industry.

STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NBP Islamic Stock 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 Ninth year of operations of NBP Islamic Stock Fund (the "NISF" 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 17,367,720/- wherein amount available for disbursement is PKR 13,136,998/-, which is inclusive of PKR 4,933,184 /- 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

To the unit holders of NBP Islamic Stock Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NBP Islamic Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the cash flow statement 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 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 NBP Fund Management Limited (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 matter

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 year.

This matter was 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 this matter.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Valuation and existence of investment</p> <p>Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represent a significant portion of the net assets of the Fund.</p> <p>The Fund's primary activity is, inter alia, to invest in Equity Securities which are the main driver of the Fund's performance.</p> <p>Considering the above factors, the valuation and existence are significant areas during our audit due to which we have considered this as a key audit matter.</p>	<ul style="list-style-type: none"> • Obtained an understanding of relevant controls placed by the Management Company applicable to the balance; • Independently verified existence of investments from Central Depository Company (CDC) account Statement, Investment Portfolio Services (IPS), bank confirmations and other relevant documents; • Performed test of details on sale, purchase and maturity of investments on a sample basis by inspecting deal tickets, counterparty confirmation, broker confirmation and bank statements; and

S. No.	Key Audit Matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> Tested valuation of investments by independently tracing rate to externally quoted market prices and from Pakistan Stock Exchange (PSX)

Information other than the financial statements and auditor's report thereon

Management Company is responsible for the other information. The other information comprises the information (Directors' Report, Fund Manager Report & Trustee Report to the Unit Holders) 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 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 Company and Those Charged with Governance for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company 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, Management Company 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 Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are 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 Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of 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 Those Charged with Governance of Management Company 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 Those Charged with Governance of Management Company 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 Those Charged with Governance of Management Company, 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Nadeem Yousuf Adil**.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 21, 2023
UDIN: AR202310091ZDEV2UJMs

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

	Note	2023 ----- (Rupees in '000) -----	2022 -----
Assets			
Bank balances	5	77,912	143,804
Investments	6	2,090,104	5,078,506
Dividend and profit receivable	7	1,184	3,491
Receivable from funds under management by Management Company against conversion of units		-	1,152
Receivable against sale of investments		26,620	32,483
Advances, deposits and prepayment	8	7,270	7,256
Total assets		2,203,090	5,266,692
Liabilities			
Payable to NBP Fund Management Limited - Management Company	9	22,381	39,131
Payable to Central Depository Company of Pakistan Limited - Trustee	10	321	584
Payable to Securities and Exchange Commission of Pakistan	11	804	1,342
Payable against conversion and redemption of units		27,330	7,345
Accrued expenses and other liabilities	12	33,826	30,246
Total liabilities		84,662	78,648
Net assets		2,118,428	5,188,044
Unitholders' fund (as per statement attached)		2,118,428	5,188,044
Contingency and commitment	13		
		(Number of units)	
Number of units in issue	14	203,976,543	489,165,605
		(Rupees)	
Net assets value per unit		10.3856	10.6059

The annexed notes 1 to 27 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	2023 ----- (Rupees in '000) -----	2022 -----
Income			
Dividend income		329,728	396,196
Loss on sale of investments at fair value through profit or loss (FVTPL) - net		(168,580)	(95,684)
Profit on bank deposits		17,401	16,093
Net unrealised diminution on re-measurement of investments at FVTPL	6.2	(91,103)	(1,213,529)
Total income / (loss)		87,446	(896,924)
Expenses			
Remuneration to NBP Fund Management Limited - Management Company	9.1	80,372	112,730
Sindh Sales Tax on remuneration to Management Company	9.2	10,448	14,655
Remuneration to Central Depository Company of Pakistan Limited - Trustee	10.1	5,019	7,710
Sindh Sales Tax on remuneration to Trustee	10.2	652	1,002
Reimbursement of Selling and marketing expenses	9.3	62,288	124,582
Reimbursement of Allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	8,037	13,143
Annual fee - Securities and Exchange Commission of Pakistan		804	1,342
Securities transaction cost		6,107	7,177
Settlement and bank charges		759	987
Auditors' remuneration	15	832	758
Fund rating fee		308	280
Annual listing fee		28	28
Legal and professional fees		182	345
Shariah advisor fee		603	1,018
Printing charges		91	91
Total expenses		176,530	285,848
Net loss from operating activities		(89,084)	(1,182,772)
Reversal for Sindh Workers' Welfare Fund		-	80,997
Net loss for the year before taxation		(89,084)	(1,101,775)
Taxation	16	-	-
Net loss for the year		(89,084)	(1,101,775)
Allocation of net income for the year			
Net income for the year		-	-
Income already paid on units redeemed		-	-
		-	-
Accounting income available for distribution:			
- Relating to capital gain		-	-
- Excluding capital gain		-	-
		-	-

The annexed notes 1 to 27 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

	2023	2022
	----- (Rupees in '000) -----	
Net loss for the year	(89,084)	(1,101,775)
Other comprehensive income for the year	-	-
Total comprehensive (loss) for the year	(89,084)	(1,101,775)

The annexed notes 1 to 27 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

	2023			2022		
	Value	Accumulated loss	Total	Value	Accumulated loss	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the year	6,796,671	(1,608,627)	5,188,044	8,710,074	(506,852)	8,203,222
Issue of 238,706,125 units (2022: 454,429,349 units)						
- Capital value	2,531,698	-	2,531,698	5,787,164	-	5,787,164
- Element of income / (loss)	15,300	-	15,300	(284,536)	-	(284,536)
Total proceeds on issuance of units	2,546,998	-	2,546,998	5,502,628	-	5,502,628
Redemption of 523,895,187 units (2022: 609,412,187 units)						
- Capital value	(5,556,380)	-	(5,556,380)	(7,760,864)	-	(7,760,864)
- Element of income	28,850	-	28,850	344,833	-	344,833
Total payments on redemption of units	(5,527,530)	-	(5,527,530)	(7,416,031)	-	(7,416,031)
Total comprehensive (loss) for the year	-	(89,084)	(89,084)	-	(1,101,775)	(1,101,775)
Net assets at end of the year	3,816,139	(1,697,711)	2,118,428	6,796,671	(1,608,627)	5,188,044
Accumulated loss brought forward						
- Realised		(395,098)			(1,757,017)	
- Unrealised		(1,213,529)			1,250,165	
		(1,608,627)			(506,852)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Total comprehensive loss for the year ended 30 June 2023		(89,084)			(1,101,775)	
Accumulated loss carried forward		(1,697,711)			(1,608,627)	
Accumulated loss carried forward						
- Realised		(1,606,608)			(395,098)	
- Unrealised		(91,103)			(1,213,529)	
		(1,697,711)			(1,608,627)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		10.6059			12.7350	
Net assets value per unit at end of the year		10.3856			10.6059	

The annexed notes 1 to 27 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

Note	2023 ----- (Rupees in '000) -----	2022 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) for the year	(89,084)	(1,101,775)
Adjustments:		
Net unrealised diminution on re-measurement of investments at FVTPL	6.2 91,103	1,213,529
Reversal for Sindh Workers' Welfare Fund	-	(80,997)
	<u>2,019</u>	<u>30,757</u>
Decrease in assets		
Investments - net	2,903,162	1,417,975
Dividend and profit receivable	2,307	(1,232)
Advances, deposits and prepayment	(14)	58,852
	<u>2,905,455</u>	<u>1,475,595</u>
Increase in liabilities		
Payable to NBP Fund Management Limited - Management Company	(16,750)	(17,955)
Payable to Central Depository Company of Pakistan Limited - Trustee	(263)	(277)
Payable to Securities and Exchange Commission of Pakistan	(538)	(24)
Accrued expenses and other liabilities	3,580	(9,240)
	<u>(13,971)</u>	<u>(27,496)</u>
Net cash generated from operating activities	2,893,503	1,478,856
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	2,548,150	5,509,901
Amount paid on redemption of units	(5,507,545)	(7,421,901)
Net cash (used in) from financing activities	(2,959,395)	(1,912,000)
Net (decrease) in cash and cash equivalents during the year	(65,892)	(433,144)
Cash and cash equivalents at beginning of the year	143,804	576,948
Cash and cash equivalents at end of the year	5 77,912	143,804

The annexed notes 1 to 27 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

- 1.1 NBP Islamic Stock Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as 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 November 12, 2014 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 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 No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of Mutual Fund Association of Pakistan (MUFAP).
- 1.3 The Fund has been categorised as an open ended "Shariah compliant equity scheme" by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at Rs. 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis on 9 January 2015 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of the Fund is to provide investors with long-term capital growth from an actively managed portfolio of shariah compliant listed equities securities. The investment objectives and policies are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an Asset Manager Rating of AM1 (30 June 2022: AM1) of Management Company and performance ranking of "3 - Star" (30 June 2022: "5-Star") to the Fund.
- 1.6 The title to the assets of the Fund is held in the name of the Central Depository Company Limited as the Trustee of the Fund.
- 1.7 During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS standards) 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 the requirements of Part VIIIA of the repealed Companies Ordinance, 1984; and
 - the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, 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.

- 2.1.2** The SECP vide SRO 800 (I)/2021 dated 22 June 2021 modified the effective date for applicability of International Financial Reporting Standard 9 - Financial Instruments in place of International Accounting Standard 39 (Financial Instruments: Recognition and Measurement) for Non-Banking Finance Companies and Modarabas, as "Reporting period / year ending on or after 30 June 2022 (earlier application permitted)". As permitted, the Fund had already applied IFRS-9 during the year ended 30 June 2019 with the exception of below mentioned impairment requirements as referred in note 2.1.3 of these financial statements.
- 2.1.3** The SECP vide letter ref SCD / AMCW / RS / MUFAP / 2017-148 dated 21 November 2017 has deferred the applicability of impairment requirements of International Financial Reporting Standard (IFRS) 9 "Financial Instruments" in relation to debt securities for mutual funds. Accordingly, the impairment requirements of IFRS 9 have not been considered for debt securities and requirements of SECP Circular 33 of 2012 have continued to be followed.

2.2 Accounting convention

These financial statements are prepared under the historical cost convention except for investments which are carried at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousand rupees, unless otherwise stated.

2.4 Use of judgments and estimates

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the subsequent year is included in the following notes:

- (a) Valuation of investment (4.1.3);
- (b) Provisions (Note 4.3); and
- (c) Classification and impairment of financial assets (Note 4.1.2 and 4.1.7).

3 ADOPTION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS:

New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the fund's financial statements other than certain additional disclosures.

Effective from accounting periods beginning on or after:

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 9 ' Financial instruments' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented in the financial statements.

4.1 Financial Instruments

The Fund applied IFRS 9 (refer note 2.1.2) except for impairment requirements for which the Fund has continued to follow the requirements of SECP (refer note 2.1.3).

4.1.1 Recognition and initial measurement

The Fund initially recognises regular-way transactions in financial assets and financial liabilities at the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated. FVTPL on

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

4.1.2 Classification - Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has two business models.

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These
- Other business model: This includes equity securities. These financial assets are held for trading and managed and their performances is evaluated, on a fair value basis, with frequent sales taking place.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.1.3 Subsequent measurement - Financial assets

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

The fair value of financial assets are determined as follows:

a) Equity investments

Equity investments are marked-to-market on the basis of rates at year end date as quoted on Pakistan Stock Exchange (PSX), as all equity investments are made in listed securities only.

4.1.4 Financial liabilities – Classification, subsequent measurement and gains and losses

A financial liability is classified at FVTPL if it is held-for-trading or is a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest, are recognised in income statement.

Financial liabilities are initially classified as measured at amortised cost and also subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

4.1.5 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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

4.1.6 Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

4.1.7 Impairment of financial assets

The Fund at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated 24 October 2012.

4.1.8 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

4.1.9 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

4.1.10 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.1.11 Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs (formation cost) represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to the bankers to the issue, brokerage paid to the members of the stock exchanges and other expenses. These costs are being amortised over a period of five years starting from the end of the initial offering period as per the requirements set out in the Trust Deed of the Fund and NBFC regulations.

4.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Taxation

The income of the Fund is exempt from income tax under 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 capital gains, whether realised or unrealised, is distributed among 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.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. The Fund intends to distribute more than ninety percent of its accounting income for the current year if there is profit available for distribution at year end to avail the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

4.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load if applicable, is payable to the investment facilitators and the Management Company / distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.6 Element of income

Element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the period under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period. The income already paid (Element of Income) on redemption of units during the period are taken separately in statement of movement in unit holders' fund.

4.7 Earnings per unit

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

4.8 Net assets value per unit

The net assets value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.9 Income recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which transactions take place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Income on deposits with banks is recognised using effective yield method.
- Dividend income on equity securities is recognised when the right to receive the dividend is established. For quoted equity securities, this is usually the ex-dividend date.

4.10 Distribution

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year/period is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year / period.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year / period. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

5	BANK BALANCES	Note	2023	2022
			----- (Rupees in '000) -----	
	In current accounts		17,350	13,367
	In savings accounts	5.1	60,562	130,437
			<u>77,912</u>	<u>143,804</u>

5.1 These accounts carry profit at rates ranging from 10.0% to 19.75% (2022: 6.5% to 15.59%) per annum.

6	INVESTMENTS	Note	2023	2022
			----- (Rupees in '000) -----	
	At fair value through profit or loss			
	- Listed equity securities	6.1	<u>2,090,104</u>	<u>5,078,506</u>

6.1 Listed equity securities

*All shares have a nominal face value of Rs.10 each except for the shares of Shabbir Tiles & Ceramics Limited and Thal Limited which have face value of Rs. 5 each and K-Electric Limited which have face value of Rs. 3.5 each.

Name of the investee company	As at July 01, 2022	Purchases during the period	Bonus / Right Issue	Sales during the period	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 investments	Holding as a percentage of Paid up capital of the investee company
No. of shares.....					Rupees in '000		----- % -----	
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	68,150	-	12,479	80,462	167	50	0.00	0.00	0.00
Pakistan State Oil Company Limited	1,310,353	29,100	-	846,433	493,020	54,730	2.58	2.62	0.11
Hascal Petroleum Limited	1,583	-	-	-	1,583	9	0.00	0.00	0.00
	<u>1,380,086</u>	<u>29,100</u>	<u>12,479</u>	<u>926,895</u>	<u>494,770</u>	<u>54,789</u>	<u>2.58</u>	<u>2.62</u>	
OIL & GAS EXPLORATION COMPANIES									
Pakistan Oilfields Limited	472,052	39,200	-	396,889	114,363	45,948	2.17	2.20	0.04
Pakistan Petroleum Limited	5,342,374	793,900	-	2,229,591	3,906,683	231,041	10.91	11.05	0.14
Mari Petroleum Company Limited	253,271	-	-	112,222	141,049	213,639	10.08	10.22	0.11
Oil and Gas Development Company Limited	4,980,037	466,971	-	2,707,270	2,739,738	213,700	10.09	10.22	0.06
	<u>11,047,734</u>	<u>1,300,071</u>	<u>-</u>	<u>5,445,972</u>	<u>6,901,833</u>	<u>704,328</u>	<u>33.25</u>	<u>33.69</u>	
FERTILIZERS									
Engro Corporation Limited	1,417,858	79,124	-	822,536	674,446	175,281	8.27	8.39	0.12
Engro Fertilizers Limited	-	160,500	-	106,161	54,339	4,485	0.21	0.21	0.00
Fauji Fertilizer Bin Qasim Limited	2,397,000	126,000	-	2,063,000	460,000	5,419	0.26	0.26	0.04
	<u>3,814,858</u>	<u>365,624</u>	<u>-</u>	<u>2,991,697</u>	<u>1,188,785</u>	<u>185,185</u>	<u>8.74</u>	<u>8.86</u>	
CEMENT									
Kohat Cement Limited	2,243,510	73,461	-	1,089,599	1,227,372	212,912	10.05	10.19	0.61
Lucky Cement Limited	698,289	59,296	-	589,872	167,713	87,561	4.13	4.19	0.05
Maple Leaf Cement Factory Limited	784,171	306,000	-	1,090,169	2	-	0.00	0.00	0.00
Fauji Cement Company Limited	3,201,000	1,139,500	425,188	4,765,687	1	-	0.00	0.00	0.00
Attock Cement (Pakistan) Limited	638,100	40,500	-	178,500	500,100	41,443	1.96	1.98	0.36
	<u>7,565,070</u>	<u>1,618,757</u>	<u>425,188</u>	<u>7,713,827</u>	<u>1,895,188</u>	<u>341,916</u>	<u>16.14</u>	<u>16.36</u>	

NBP ISLAMIC STOCK FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

Name of the investee company	As at July 01, 2022	Purchases during the period	Bonus / Right Issue	Sales during the period	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 investments	Holding as a percentage of Paid up capital of the investee company
No. of shares.....				Rupees in '000		----- % -----		
MISCELLANEOUS									
Ecopack Limited	2,520	-	378	-	2,898	42	0.00	0.00	0.01
Synthetic Products Enterprises Limited	126,453	-	-	-	126,453	1,315	0.06	0.06	0.06
	128,973	-	378	-	129,351	1,357	0.06	0.06	
AUTOMOBILE PARTS & ACCESSORIES									
Agriautos Industries Limited*	200	-	50	-	250	16	0.00	0.00	0.00
Thal Limited*	64,400	-	-	25,400	39,000	6,318	0.30	0.30	0.05
Baluchistan Wheels Limited	1,500	-	-	1,500	-	-	0.00	0.00	-
Panther Tyres Limited	2,066,999	-	-	1,854,500	212,499	4,284	0.20	0.20	0.13
	2,133,099	-	50	1,881,400	251,749	10,618	0.50	0.50	
AUTOMOBILES ASSEMBLER									
Millat Tractors Limited	78,945	-	4,680	83,620	5	2	0.00	0.00	0.00
Al-Ghazi Tractors Limited	-	16,500	-	15,200	1,300	330	0.02	0.02	0.00
Honda Atlas Cars (Pakistan) Limited	171,100	4,800	-	175,900	-	-	0.00	0.00	-
	250,045	21,300	4,680	274,720	1,305	332	0.02	0.02	
GLASS AND CERAMICS									
Tariq Glass Industries Limited	578,874	25,000	119,220	581,254	141,840	9,659	0.46	0.46	0.08
Shabbir Tiles and Ceramics Limited*	5,871,000	75,000	-	2,705,500	3,240,500	26,961	1.27	1.29	1.35
	6,449,874	100,000	119,220	3,286,754	3,382,340	36,620	1.73	1.75	
ENGINEERING									
Mughal Iron and Steel Industries Limited	2,936,804	72,938	-	1,680,932	1,328,810	64,368	3.04	3.08	0.40
International Steels Limited	214,600	-	-	214,600	-	-	0.00	0.00	-
International Industries Limited	350,209	-	-	350,209	-	-	0.00	0.00	-
Aisha Steel Mills Limited	1,863,776	-	-	1,105,898	757,878	4,093	0.19	0.20	0.08
	5,365,389	72,938	-	3,351,639	2,086,688	68,461	3.23	3.28	
TEXTILE COMPOSITE									
Kohinoor Textile Mills Limited	2,970,433	147,500	-	1,368,500	1,749,433	89,064	4.20	4.26	0.58
Nishat Mills Limited	804,520	-	-	566,202	238,318	13,529	0.64	0.65	0.07
Interloop Limited	1,015,199	-	11,033	1,026,229	3	-	0.00	0.00	0.00
	4,790,152	147,500	11,033	2,960,931	1,987,754	102,593	4.84	4.91	
PAPER AND BOARD									
Cherat Packaging Limited.	2	-	-	-	2	-	0.00	0.00	0.00
Roshan Packages Limited	2,080,500	-	-	1,102,000	978,500	8,699	0.41	0.42	0.69
Century Paper & Board Mills Limited	-	37,500	3,750	41,250	-	-	0.00	0.00	-
	2,080,502	-	-	1,102,000	978,502	8,699	0.41	0.42	
PHARMACEUTICALS									
Abbot Laboratories (Pakistan) Limited	59,800	-	-	53,650	6,150	2,276	0.11	0.11	0.01
The Searle Company Limited	821,674	-	199,169	746,822	274,021	10,500	0.50	0.50	0.07
Haleon Pakistan Limited	33,900	-	-	20,600	13,300	1,864	0.09	0.09	0.01
AGP Limited	286,334	-	-	202,213	84,121	4,751	0.22	0.23	0.03
IBL HealthCare Limited	92,760	-	6,276	60,500	38,536	1,254	0.06	0.06	0.05
Citi Pharma Ltd.	522,354	-	-	337,506	184,848	3,945	0.19	0.19	0.08
	1,816,822	-	205,445	1,421,291	600,976	24,590	1.17	1.18	

Name of the investee company	As at July 01, 2022	Purchases during the period	Bonus / Right Issue	Sales during the period	As at June 30, 2023	Market value as at June 30, 2023	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
							Net assets	Total Investments	
						Rupees in '000	%		
TECHNOLOGY AND COMMUNICATION									
Avanceon Limited	17,053	32,000	2,558	32,000	19,611	864	0.04	0.04	0.01
Systems Limited	935,096	6,500	-	489,706	451,890	182,261	8.60	8.72	0.16
Pakistan Telecommunication Company Limited	835,000	-	-	835,000	-	-	0.00	0.00	-
	1,787,149	38,500	2,558	1,356,706	471,501	183,125	8.64	8.76	
POWER GENERATION AND DISTRIBUTION									
Hub Power Company Limited	4,605,481	338,000	-	2,916,112	2,027,369	141,064	6.66	6.75	0.16
	4,605,481	338,000	-	2,916,112	2,027,369	141,064	6.66	6.75	
COMMERCIAL BANKS									
Meezan Bank Limited	2,809,081	45,000	255,392	1,410,724	1,698,749	146,721	6.93	7.02	0.09
FOOD AND PERSONAL CARE PRODUCTS									
Al-Shaheer Corporation Limited	18,378	-	-	-	18,378	133	0.01	0.01	0.00
Al-Tahir Limited	563,042	168,500	73,154	573,500	231,196	3,805	0.18	0.18	0.11
Shezan International Limited	111,760	-	-	16,200	95,560	10,082	0.48	0.48	0.99
Bunny's Limited	127,500	-	-	-	127,500	2,117	0.10	0.10	0.19
	820,680	168,500	73,154	589,700	472,634	16,137	0.77	0.77	
CHEMICAL									
Lotte Chemical Pakistan Limited	-	-	-	-	-	-	0.00	0.00	-
Engro Polymer and Chemicals Limited	1,741,381	51,812	-	1,793,193	-	-	0.00	0.00	-
Lucky Core Industries Limited	46,800	-	-	37,778	9,022	5,451	0.26	0.26	0.01
Dynea Pakistan Limited	4,200	-	-	4,200	-	-	0.00	0.00	-
Sitara Peroxide Limited	565,000	-	-	565,000	-	-	0.00	0.00	-
Descon Oxychem Limited	14,500	-	-	14,500	-	-	0.00	0.00	-
	2,371,881	51,812	-	2,414,671	9,022	5,451	0.26	0.26	
TRANSPORT									
Pakistan National Shipping Corporation Limit	-	559,300	-	163,200	396,100	52,495	2.48	2.51	0.30
Pakistan International Bulk Terminal Limited	5,003,500	-	-	4,341,000	662,500	2,723	0.13	0.13	0.04
	5,003,500	559,300	-	4,504,200	1,058,600	55,218	2.61	2.64	
CABLE & ELECTRICAL GOODS									
Pak Elektron Limited	3,758,960	80,000	-	3,518,500	320,460	2,900	0.14	0.14	0.04
LEATHER & TANNERIES									
Service GlobalFootwear Limited	74,748	-	-	74,748	-	-	0.00	0.00	-
Total as at June 30, 2023						25,957,576	2,090,104	99	100
Carrying value as at June 30, 2023								2,181,207	

6.1.1 Investments include shares with market value of Rs. 323.491 million (30 June 2022: Rs.376.942 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 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

6.1.2 The Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholders were to be treated as income and tax at the rate of 5 percent was to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax was to be collected at source by the company declaring bonus shares which was to be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, led a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case.

During the year ended 30 June 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on 27 June 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 year ended 30 June 2019. After that, the CISs have filed a fresh constitutional petition via CP 4653 dated 11 July 2019. In this regard, on 15 July 2019, the Honourable High 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 Funds have included these shares in their 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 1 July 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 year were not withheld by the investee companies.

Accordingly, the investee company(s) has withheld the shares equivalent to 5% of bonus announcement amounting to Rs. 2.848 million (30 June 2022: 4.199 million) and not deposited in CDC account of the Income Tax Department.

6.2 Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'

	Note	2023 ----- (Rupees in '000) -----	2022 -----
Market value of securities	6.1	2,090,104	5,078,506
Less: carrying value of investments		(2,181,207)	(6,292,035)
		(91,103)	(1,213,529)

7 DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable on Equity Securities		-	1,731
Profit receivable on bank deposits		1,184	1,760
		1,184	3,491

8 ADVANCES, DEPOSITS AND PREPAYMENT

Advance tax	8.1	4,476	4,476
Security deposits with:			
- National Clearing Company of Pakistan Limited		2,530	2,530
- Central Depository Company of Pakistan Limited		103	103
Prepaid Mutual Fund Rating fee		161	147
		7,270	7,256

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on bank deposit paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008- VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at the applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on dividends and profit on bank deposits as at 30 June 2023 amounts to Rs. 4.476 million (30 June 2022: Rs. 4.476 million).

Advance tax as at 30 June 2023 as in the opinion of the management, the amount of tax deducted at source will be refunded.

9	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2023 ----- (Rupees in '000) -----	2022 -----
	Management remuneration	9.1	4,034	8,693
	Sindh Sales Tax on management remuneration	9.2	524	1,130
	Reimbursement of Selling and marketing expenses	9.3	10,908	22,027
	Reimbursement Allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	1,407	2,842
	Sales load and & transfer load including SST		5,425	4,344
	Other Payable		20	20
	ADC Payable including SST		63	75
			22,381	39,131

9.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration as follows:

- From 01 July 2021 to 1 February 2022, at the rate of 1.5% of the average annual net assets of the Fund.
- From 2 February 2022 to 30 June 2023, at the rate of 2.0% of the average annual net assets of the Fund.

The remuneration is payable to the Management Company monthly in arrears.

9.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2011. During the year, Sindh Sales Tax at the rate of 13% (30 June 2022: 13%) was charged on management remuneration and sales load.

9.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion has charged selling and marketing expenses at the following rates of the average annual net assets of the Fund during the year:

Period	Rate per annum
1 July 2021 to 19 September 2021	2% of net assets or actual expenses whichever is lower.
20 Sept 2021 to 01 Feb 2022	2.05% of net assets or actual expenses whichever is lower.
02 Feb 2022 to 30 June 2023	1.55% of net assets or actual expenses whichever is lower.

9.4 In accordance with Regulation 60 of the NBFC Regulations, the 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).

The Management Company based on its discretion has charged accounting and operational charges under the following rates:

- From 1 July 2021 to 25 July 2021, at the rate of 0.15% of the average annual net assets of the Fund.
- From 26 July 2021 to 30 June 2023, at the rate of 0.20% of the average annual net assets of the Fund.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023 ----- (Rupees in '000) -----	2022 -----
	Trustee remuneration	10.1	284	517
	Sindh Sales Tax on Trustee remuneration	10.2	37	67
			321	584

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund as stated below:

Net assets	Tariff per annum
Upto Rs. 1,000 million	0.20% per annum of net assets,
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% per annum of net assets

The remuneration is paid to the Trustee monthly in arrears.

10.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2015. During the year, Sindh Sales Tax at the rate of 13% (30 June 2022: 13%) was charged on trustee remuneration.

11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective scheme categorized as an equity scheme is required to pay an annual fee to SECP at an amount equal to 0.02 percent per annum of the average net assets of the Fund. The fee is paid annually in arrears.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2023	2022
		----- (Rupees in '000) -----	-----
Brokerage fee		984	270
Federal excise duty payable on remuneration of the management company	12.1	8,209	8,209
Federal excise duty payable on Sales Load		2,327	2,327
Auditors' remuneration		588	517
Settlement charges		139	128
Withholding tax		61	258
Printing charges		42	44
Capital gain tax		119	284
Bank charges		100	48
Legal fees		181	145
Charity Payable		20,453	17,006
Shariah Advisor fee payable		623	1,010
		33,826	30,246

12.1 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on 4 September 2013.

The Honorable Sindh High Court (SHC) through its recent order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honourable Supreme Court against the Sindh High Court' decision dated 2 June 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 8.209 million (30 June 2022: Rs. 8.209 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.0402 (30 June 2022: Re. 0.0168) per unit.

13 CONTINGENCY AND COMMITMENT

There was no contingency and commitment as at 30 June 2023 (30 June 2022: Nil), except as disclosed elsewhere in these financial statements.

	2023	2022
	(Number of units)	
14 NUMBER OF UNITS IN ISSUE		
Total units in issue at beginning of the year	489,165,605	644,148,443
Add: Units issued against		
- Sale	238,706,125	454,429,349
- Refund of capital at zero value	-	-
	238,706,125	454,429,349
Less: Units redeemed	(523,895,187)	(609,412,187)
Total units in issue at end of the year	203,976,543	489,165,605

	2023	2022
	(Rupees in '000)	
15 AUDITORS' REMUNERATION		
Annual audit fee	416	378
Half yearly review fee	199	181
Out of pocket expenses and others including government levy	217	199
	832	758

16 TAXATION

- 16.1** The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units as the case may be shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders Since the Fund has incurred a net loss during the year, accordingly, no provision has been made in the financial statements for the year ended June 30, 2023.

17 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies), incurred during the year divided by average net asset value for the year) is 4.40% (2022: 4.26%) per annum. Total expense ratio (excluding government levies) is 4.11% (2022: 4.01%) per annum.

As at 30 June 2023			
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----			
18 FINANCIAL INSTRUMENTS BY CATEGORY			
Assets			
Bank balances	77,912	-	77,912
Investments	-	2,090,104	2,090,104
Dividend and profit receivable	1,184	-	1,184
Receivable from funds under management by Management Company against conversion of units	-	-	-
Receivable against sale of investments	26,620	-	26,620
Advance and deposits	2,633	-	2,633
	108,349	2,090,104	2,198,453
	As at 30 June 2023		
	At fair value through profit or loss	Amortized cost	Total
	----- (Rupees in '000) -----		
Liabilities			
Payable to NBP Fund Management Limited - Management Company	-	22,381	22,381
Payable to Central Depository Company of Pakistan Limited - Trustee	-	321	321
Payable against conversion and redemption of units	-	27,330	27,330
Accrued expenses and other liabilities	-	2,657	2,657
	-	52,689	52,689
Net assets attributable to unit holders		2,118,428	2,118,428
	As at 30 June 2022		
	At Amortised Cost	Mandatorily at fair value through profit or loss	Total
	----- (Rupees in '000) -----		
Assets			
Bank balances	143,804	-	143,804
Investments	-	5,078,506	5,078,506
Dividend and profit receivable	3,491	-	3,491
Receivable from funds under management by Management Company against conversion of units	1,152	-	1,152
Receivable against sale of investments	32,483	-	32,483
Advance and deposits	2,633	-	2,633
	183,563	5,078,506	5,262,069
	5,262,069		

As at 30 June 2022

	Mandatorily at fair value through profit or loss	Amortized cost	Total
	----- (Rupees in '000) -----		
Liabilities			
Payable to NBP Fund Management Limited - Management Company	-	39,131	39,131
Payable to Central Depository Company of Pakistan Limited - Trustee	-	584	584
Payable against redemption of units	-	7,345	7,345
Accrued expenses and other liabilities	-	2,162	2,162
	-	49,222	49,222
Net assets attributable to unit holders		5,188,044	5,188,044

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

19.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP), and its connected persons, and Baltoro Growth Fund being the sponsors and NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

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

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

19.4 The details of significant transactions and balances with connected persons at year end except those disclosed elsewhere in these financial statements are as follows:

	2023	2022
	----- (Rupees in '000) -----	
19.5 Details of transactions with connected persons are as follows:		
NBP Fund Management Limited - Management Company		
Remuneration of NBP Fund Management Limited - Management Company	80,372	112,730
Sindh Sales Tax on remuneration to Management Company	10,448	14,655
Reimbursement of Selling and marketing expenses	62,288	124,582
Reimbursement of Allocation of expenses related to registrar services, accounting, operation and valuation services	8,037	13,143
Sales load and transfer load including SST	1,080	6,906
ADC including SST	30	150
Employees of the Management Company		
Issue of units 38,431,253 (2022: 52,368,231 units)	408,048	629,819
Redemption of units 41,951,702 (2022: 58,232,730 units)	447,144	697,325
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	5,019	7,710
Sindh Sales Tax on remuneration to Trustee	652	1,002
CDS charges	198	208

	2023	2022
	----- (Rupees in '000) -----	
National Clearing Company of Pakistan Limited - common directorship		
NCCPL Charges	-	636
Humayun Bashir - Director		
Units Issued / Transferred Nil (2022 : 763,386 units)	-	9,070
International Steel Limited - common directorship		
Shares purchased Nil (2022: 327,600 shares)	-	19,779
Shares sold 214,600 (2022: 915,000 shares)	12,522	70,926
Dividend Income	245	5,557
NBP Fund Management Limited - Employees Provident Fund		
Units issued / transferred in: 1,425,882 units (2022: Nil units)	15,261	-
Units redeemed / transferred out: 1,545,138 units (2022: 178,340 units)	16,348	2,300
Portfolio managed by Management Company		
Issue of 582,079 units (2022: 957,300 units)	6,100	11,297
Redemption of 4,162,865 units (2022: 1,350,294 units)	44,484	16,563
BankIslami Pakistan Limited *		
Profit on bank deposits	-	3,143
Taurus Securities Limited - Subsidiary of parent company		
Brokerage charges	397	508
CDC trustee Punjab general provident fund (10% or more holding)		
Units issued / transferred in: 11,914,809 units (2022: 50,020,425 units)	120,000	600,000
CDC trustee Punjab pension fund (10% or more holding)		
Units issued / transferred in: 24,822,519 units (2022: 2,687,264 units)	250,000	35,000
Rohma Amjad		
Units Redeemed / Transferred Out: 1,569 units (2022: Nil)	16	-
19.6 Balances at year end		
NBP Fund Management Limited - Management Company		
Management remuneration payable	4,034	8,693
Sindh Sales tax payable	524	1,130
Other payable	20	20
Reimbursement of Allocation of expenses related to registrar services, accounting, operation and valuation services	1,407	2,842
Reimbursement of Selling and marketing expenses	10,908	22,027
Sales load and transfer load including SST	5,425	4,344
ADC payable including SST	63	75
Central Depository Company of Pakistan Limited - Trustee		
Remuneration Payable	284	517
Sindh Sales Tax on Trustee remuneration	37	67
Security deposit	103	103
Employees of the Management Company		
Units held: 1,567,443 (2022: 4,976,529 units)	16,279	52,781
National Clearing Company of Pakistan Limited - common directorship*		
Security deposits	-	2,530
NCCPL charges payable	-	39
Taurus Securities Limited		
Brokerage Payable	51	-

	2023	2022
	----- (Rupees in '000) -----	
CDC Trustee - Punjab Pension Fund Trust Units held: 39,367,517 (2022: 64,190,036 units)	408,855	680,793
NBP Fund management Limited - Employees provident fund Units held: Nil (2022: 119,256 units)	-	1,265
International Steels Limited - common directorship Shares held: Nil shares (2022: 214,600 shares)	-	12,739
Portfolio managed by Management Company Units held 1,450,503 units (2022: 3,353,776 units)	15,064	35,570
National bank of Pakistan - Parent company		
Bank balance	651	747
Profit receivable	19	9
BankIslami Pakistan Limited		
Bank balance	-	32,228
Profit receivable	-	374
Rohma Amjad Units held: Nil units (2022: 1,569 Units)	-	17
Pioneer Cement Limited Units held: 23,222,138 units (2022: Nil Units)	241,176	-
CDC Trustee Punjab General Provident Fund Units held: 38,105,616 units (2022: 50,020,425 Units)	395,750	530,512

* Current year figure has not been shown as the company ceased to be a related party / connected person as at June 30,2023

** Prior year comparative has not been shown as the company was not a related party / connected person as at June 30,2022

20 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S. No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	Doctorate in Business Administration, MBA and CFA	35
2	Asim Wahab Khan*	CFA	17
3	Hassan Raza	ACCA, BSC and CFA	12

*The name of the Fund Manager is Asim Wahab Khan. Other funds managed by the Fund Manager are as follows:

- | | |
|----------------------------------|---|
| - NBP Islamic Sarmaya Izafa Fund | - NAFA Islamic Active Allocation Fund - III |
| - NBP Sarmaya Izafa Fund | - NBP Balanced Fund |
| - NBP Islamic Stock Fund | - NBP Stock Fund |
| - NAFA Islamic Pension Fund | - NBP Pakistan Growth Exchange Traded Fund |
| - NBP Financial Sector Fund | - NAFA Pension Fund |

21 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID/ PAYABLE

List of brokers / dealers by percentage of commission paid / payable during the year ended June 30, 2023

S. No	Particulars	Percentage (%)
1	TAURUS SECURITIES LTD.	7.34
2	ALFALAH SECURITIES (PVT) LIMITED	6.05
3	BMA CAPITAL MANAGEMENT LIMITED	5.75
4	KTRADE SECURITIES LIMITED (FORMERLY KHADIM ALI SHAH BUKHARI SECURITIES (PVT.) LIM	5.66
5	EFG HERMES PAKISTAN LTD	5.48
6	TOPLINE SECURITIES LIMITED	5.12
7	D.J.M SECURITIES (PVT) LIMITED	4.80
8	MULTI LINE SECURITIES	4.55
9	SHERMAN SECURITIES (PVT) LIMITED	4.44
10	ARIF HABIB SECURITIES LIMITED	4.37

List of brokers by percentage of commission paid during the year ended 30 June 2022:

S. No	Particulars	Percentage (%)
1	TAURUS SECURITIES LTD.	8.10
2	FOUNDATION SECURITIES	4.60
3	ARIF HABIB SECURITIES LIMITED	4.54
4	J.S. GLOBAL CAPITAL LTD.	4.41
5	OPTIMUS Capital Management Limited	4.16
6	AQEEL KARIM DEHDI SECURITIES (PVT) LIMITED	4.03
7	INSIGHT SECURITIES (PVT.) LIMITED	4.02
8	TOPLINE SECURITIES LIMITED	4.02
9	BMA CAPITAL MANAGEMENT LIMITED	3.97
10	INTERMARKET SECURITIES	3.95

As at 30 June 2023

	Number of unit holders	Investment amount	Percentage investment	
	(Rupees in '000)		%	
22	PATTERN OF UNIT HOLDING			
	Category			
	Individuals	2,640	639,692	30.20
	Insurance Companies	3	85,965	4.06
	Retirement Funds	27	980,305	46.28
	Public Limited Companies	1	241,176	11.38
	Others	26	171,290	8.09
		2,697	2,118,428	100.00

As at 30 June 2022

	Number of unit holders	Investment amount	Percentage investment	
	(Rupees in '000)		%	
	Category			
	Individuals	3,324	1,807,418	34.84
	Associated Companies and Directors	1	1,265	0.02
	Insurance Companies	3	148,660	2.87
	Retirement Funds	56	1,893,760	36.50
	Public Limited Companies	2	718,518	13.85
	Others	36	618,425	11.92
		3,422	5,188,044	100.00

23 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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, April 29, 2023 and June 01, 2023, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of Meetings			Meetings not attended
	Held during tenure of directorship	Attended	Leave granted	
Mr. 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	-	

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

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

24 FINANCIAL RISK MANAGEMENT

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 based on limits established by the Management Company, Fund's constitutive documents 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 Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by Board of Directors and Audit Committee regularly to reflect changes in market conditions and the Fund's activities.

The management of these risks is carried out by the Investment Committee (IC) under policies approved by the Board of Directors of the Management Company. The IC is constituted and approved by the Board of Directors of the Management Company. IC is responsible to devise the investment strategy and manage the investment portfolio of the Fund in accordance with limits prescribed in the Non Banking Finance Companies and Notified Entities Regulations, 2008, Offering document of the Fund in addition to Fund's internal risk management policies.

The Fund primarily invests in a portfolio of listed equity securities. Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to market risk, credit risk and liquidity risk.

24.1 Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk (equity price risk).

24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

24.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the fund holds balances with banks 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 lower / higher by Rs. 0.6056 million (2022: 1.3044 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold fixed rate instruments.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on the settlement date.

As at 30 June 2023					
Yield / interest rate (%)	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
	Upto three months	Over three months and upto one year	Over one year		
----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial Assets					
Bank balances	10.0 - 19.75	60,562	-	17,350	77,912
Investments		-	-	2,090,104	2,090,104
Dividend and profit receivable		-	-	1,184	1,184
Receivable from funds under management by Management Company against conversion of units		-	-	-	-
Receivable against sale of investments		-	-	26,620	26,620
Advance and deposits		-	-	2,633	2,633
		60,562	-	2,137,891	2,198,453
Financial Liabilities					
Payable to NBP Fund Management Limited - Management Company		-	-	22,381	22,381
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	321	321
Payable against conversion and redemption of units		-	-	27,330	27,330
Accrued expenses and other liabilities		-	-	2,657	2,657
		-	-	52,689	52,689
On-balance sheet gap		60,562	-	2,085,202	2,145,764
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		60,562	-	-	-
Cumulative interest rate sensitivity gap		60,562	60,562	60,562	-

As at 30 June 2022

Yield / interest rate (%)	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total	
	Upto three months	Over three months and upto one year	Over one year			
(Rupees in '000)						
On-balance sheet financial instruments						
Financial Assets						
Bank balances	6.5 - 15.59	130,437	-	-	13,367	143,804
Investments		-	-	-	5,078,506	5,078,506
Dividend and profit receivable		-	-	-	3,491	3,491
Receivable from funds under management by Management Company against conversion of units		-	-	-	1,152	1,152
Receivable against sale of investments		-	-	-	32,483	32,483
Advance and deposits		-	-	-	2,633	2,633
		130,437	-	-	5,131,632	5,262,069
Financial Liabilities						
Payable to NBP Fund Management Limited - Management Company		-	-	-	39,131	39,131
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	584	584
Payable against conversion and redemption of units		-	-	-	7,345	7,345
Accrued expenses and other liabilities		-	-	-	2,162	2,162
		-	-	-	49,222	49,222
On-balance sheet gap		130,437	-	-	5,082,410	5,212,847
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		130,437	-	-		
Cumulative interest rate sensitivity gap		130,437	130,437	130,437		

24.1.3 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 interest 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 instrument traded in the market.

The fund is exposed to equity price risk because of investments held by the Fund and classified on the Statement of Assets and Liabilities at fair value through profit and loss'.

The Fund manages the risk by limiting exposure to any single investee company to the extent of 15% of issued capital of that investee company and the net assets of the Fund with overall limit of 40% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations). The Fund also manages its exposure to price risk by diversifying its portfolio within the eligible stocks prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 5% increase / (decrease) in KMI 30 index on 30 June 2023, with all other variables held constant, net assets for the year would increase / (decrease) by Rs. 104.505 million (2022: Rs. 253.925 million) as a result of gains / (losses) on equity securities classified 'at fair value through profit and 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 30 June 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.

24.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its bank balances. Risks attributable to bank balances are managed by maintaining balances in banks with a reasonably high credit rating.

The analysis below summarises the credit quality of the Fund's bank balances. The bank ratings are based on The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited.

Balances with banks	2023	2022
	(Rupees in '000)	
AAA	38,823	103,194
AA+	676	901
AA-	36,265	6,762
AA	1,525	-
A+	56	32,238
A-	535	512
A1+	-	165
Suspended / No Rating	32	32
	77,912	143,804

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

Concentration of the credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk.

24.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

Management of liquidity risk

The Fund is exposed to daily cash 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, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to tenth percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, during the current year, no borrowing was obtained by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to 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 significant redemptions during the year.

Maturity analysis for financial liabilities

The table below analyses the Fund's liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

The maturity profile of the Fund's liabilities based on contractual maturities is given below:

	30 June 2023			
	Total	Upto three months	Over three months and upto one year	Over one year
----- (Rupees in '000) -----				
Financial liabilities				
Payable to NBP Fund Management Limited - Management Company	22,381	22,381	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	321	321	-	-
Payable against conversion and redemption of units	27,330	27,330	-	-
Accrued expenses and other liabilities	2,657	2,657	-	-
	<u>52,689</u>	<u>52,689</u>	<u>-</u>	<u>-</u>
Net assets attributable to unit holders	<u>2,118,428</u>	<u>2,118,428</u>	<u>-</u>	<u>-</u>
	30 June 2022			
	Total	Upto three months	Over three months and upto one year	Over one year
----- (Rupees in '000) -----				
Financial liabilities				
Payable to NBP Fund Management Limited - Management Company	39,131	39,131	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	584	584	-	-
Payable against conversion and redemption of units	7,345	7,345	-	-
Accrued expenses and other liabilities	2,162	2,162	-	-
	<u>49,222</u>	<u>49,222</u>	<u>-</u>	<u>-</u>
Net assets attributable to unit holders	<u>5,188,044</u>	<u>5,188,044</u>	<u>-</u>	<u>-</u>

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		30 June 2023						
		Carrying value			Fair value			
		At fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
	Investment - Listed equity securities	2,090,104	-	2,090,104	2,090,104	-	-	2,090,104
Financial assets not measured at fair value								
25.1	Bank balances	-	77,912	77,912				
	Dividend and profit receivable	-	1,184	1,184				
	Receivable from funds under management by Management Company against conversion of units	-	-	-				
	Receivable against sale of investments	-	26,620	26,620				
	Advance and Deposits	-	2,633	2,633				
		-	108,349	108,349				
		30 June 2023						
		Carrying value			Fair value			
		At fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value								
25.1	Payable to NBP Fund Management Limited - Management Company	-	22,381	22,381				
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	321	321				
	Payable against conversion and redemption of units	-	27,330	27,330				
	Accrued expenses and other liabilities	-	2,657	2,657				
		-	52,689	52,689				
		30 June 2022						
		Carrying value			Fair value			
		At fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
	Investment - Listed equity securities	5,078,506	-	5,078,506	5,078,506	-	-	5,078,506
Financial assets not measured at fair value								
25.1	Bank balances	-	143,804	143,804				
	Dividend and profit receivable	-	3,491	3,491				
	Receivable from funds under management by Management Company against conversion of units	-	1,152	1,152				
	Receivable against sale of investments	-	32,483	32,483				
	Advance and Deposits	-	2,633	2,633				
		-	183,563	183,563				

		30 June 2022						
		Carrying value			Fair value			
		At fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
Financial liabilities not measured at fair value	25.1							
Payable to NBP Fund Management Limited - Management Company		-	39,131	39,131				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	584	584				
Payable against conversion and redemption of units		-	7,345	7,345				
Accrued expenses and other liabilities		-	2,162	2,162				
		-	49,222	49,222				

- 25.1** The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.
- 25.2** Financial instruments not measured at FVTPL include net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 1 of the fair value hierarchy.

26 UNITHOLDERS' FUND RISK MANAGEMENT

The units holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions on the subscription and redemption of units.

As at 30 June 2023, The Fund meets the requirement of sub-regulation 54 (3a) which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all time during the life of the scheme.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies stated in note 26, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by short-term borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors 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	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Net assets at the year ended (Rs '000)	2,118,428	5,188,044	8,203,222	4,814,871	4,120,790	6,403,926
Net (loss) / income for the year ended (Rs '000)	(89,084)	(1,101,775)	1,791,287	(104,639)	(1,227,620)	(1,204,742)
Net Asset Value per unit at the year (Rs)	10.3856	10.6059	12.7350	9.4633	9.1077	11.3973
Offer Price per unit	10.7377	10.9654	13.1667	9.7841	9.4171	11.7837
Redemption Price per unit	10.3856	10.6059	12.7350	9.4633	9.1077	11.3973
Ex - Highest offer price per unit (Rs.)	11.6880	16.8831	13.6534	11.9900	12.2350	13.7611
Ex - Lowest offer price per unit (Rs.)	9.8890	10.7550	9.8921	7.3512	9.2067	10.8435
Ex - Highest redemption price per unit (Rs.)	11.3048	13.3802	13.2057	11.5969	11.8338	13.3099
Ex - Lowest redemption price per unit (Rs.)	9.5648	10.4024	9.5678	7.1102	8.9048	10.4880
Opening Nav of Fiscal Year	10.6059	12.7350	9.3471	9.1077	11.3973	13.0678
Total return of the fund	-2.08%	-16.72%	36.25%	3.90%	-20.09%	-12.78%
Capital growth	-2.08%	-16.72%	35.00%	3.90%	-20.09%	-12.78%
Income distribution as a % of e x nav			1.24%			
Income distribution as a % of par value			1.62%			
Distribution						
Interim distribution per unit	-	-	0.1619			-
Final distribution per unit	-	-				-
Distribution Dates						
Interim			25-Jun-21			
Final						
Average annual return of the fund (launch date January 09, 2015)						
(Since inception to June 30, 2023)	3.51%					
(Since inception to June 30, 2022)		4.29%				
(Since inception to June 30, 2021)			7.97%			
(Since inception to June 30, 2020)				3.48%		
(Since inception to June 30, 2019)					3.39%	
(Since inception to June 30, 2018)						11.35%
(Since inception to June 30, 2017)						
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 Stock 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 Stock Fund				
	Resolutions	For	Against	Abstain*
Number	14	14	Nil	N/A
(%)	100%	100%	-	-

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