

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگز

NBP Fund Management Limited



NBP ISLAMIC ENERGY FUND

QUARTERLY REPORT
SEPTEMBER 30, 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
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Tauqeer Mazhar	Member

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
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

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

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited condensed Interim financial statements of **NBP Islamic Energy Fund (NIEF)** for the quarter ended September 30, 2023.

Fund's Performance

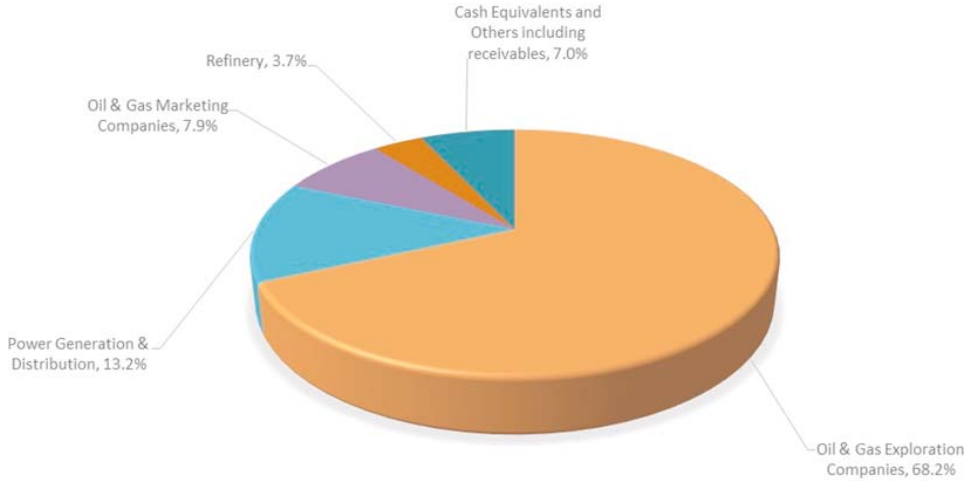
During 1QFY24, equities displayed sharp rebound as the benchmark KMI-30 index rose considerably by 6,921 points, translating into a robust return of 9.8% for the period.

The stock market has started off the year on a solid footing. The Staff Level Agreement (SLA) signed with IMF on 29th June was the pivotal point that changed investors' sentiment and the course of stock market. Soon after, the IMF executive board also accorded its approval to USD 3 billion Stand-By-Agreement (SBA) for nine months till March-24. Coinciding with this, the country received USD 2 billion from Saudi Arabia and later on UAE also approved a deposit of USD 1 billion. It was followed by the receipt of first loan tranche of USD 1.2 billion of SBA from IMF. Fitch also upgraded Pakistan's Long-Term Foreign Currency Issuer Rating. Following the SLA, Pakistan's dollar bonds also rallied in the international market. After resumption of IMF program, import restrictions were lifted, and as payment backlog was gradually cleared, current account deficit resurfaced clocking in at USD 935 million during 2MFY24 with workers remittances also dropping by 20% on a yearly basis to USD 6.3 billion during 1Q. Foreign exchange market remained tumultuous during the period as PKR exhibited sharp movements due to inadequate reserves and abnormal demand in the kerb market, which also put pressure on the interbank rates. However, timely administrative measures & crack down on illicit trades provided stability. Inflation reading on a sequential basis has tapered off, but still remained elevated averaging around 29% during 1Q. This was due to massive increase in energy component of the CPI basket and unabated increase in food inflation. During the quarter, Monetary Policy Committee (MPC) of SBP kept the Policy Rate unchanged at 22%, citing that economic uncertainty has diminished, and also pointing out towards likely downward path of inflation over the next 12 months, particularly latter half of FY24. Despite the economic headwinds, the listed corporate space continued to announce impressive results. During June quarter, cumulative profitability of the KSE-100 index has surged by a whopping 66% YoY, while overall FY23 profitability has surged by around 20% on a yearly basis, despite imposition of higher super tax.

In terms of sector wise performance, Auto Parts & Accessories, Chemicals, Commercial Banks, Oil & Gas Exploration, Power Generation & Distribution, Refinery, Transport sectors outperformed the market. On the other hand, Auto Assemblers, Cable & Electrical Goods, Cements, Engineering, Fertilizers, Food & Personal Care, Glass & Ceramics, Insurance, Miscellaneous, Paper & Board, Pharmaceutical, Technology & Communication, and Textile Composite sectors lagged the market. On participants-wise market activity, Insurance, Companies and Foreigners emerged as the largest net buyers with inflows of around USD 45 million, USD 25 million & USD 22 million, respectively. On the contrary, Banks/DFIs & Mutual Funds lowered their net holdings by around USD 43 million and USD 38 million, respectively.

The size of NBP Islamic Energy Fund has increased from Rs. 641 million, to Rs 721 million during the period, i.e., an increase of 12.0%. During the period the unit price of NBP Islamic Energy Fund has increased from Rs. 8.8630 on June 30, 2023 to Rs. 10.4625 on September 30, 2023, thus showing an increase of 18.0%. The Benchmark (KMI-30 Index) increased by 9.8%. Thus, the Fund has outperformed its Benchmark by 8.2% during the period under review. Since inception the NAV of the Fund has increased from Rs. 8.6096 (Ex-Div) on April 21, 2016, to Rs. 10.4625 on September 30, 2023, thus showing an increase of 21.5%. During the said period, the Benchmark increased by 31.7%, translating into under performance of 10.2%. This performance is net of management fee and all other expenses.

NBP Islamic Energy Fund has total income of Rs. 110.94 million during the year. After deducting total expenses of Rs. 7.97 million, the net income is Rs. 102.97 million. The asset allocation of the Fund as on September 30, 2023 is as follows:



NIEF Performance versus Benchmark



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: October 30, 2023
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے لئے NBP اسلامک انرجی فنڈ (NIEF) کے غیر جانچ شدہ کنڈینسڈ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 24 کی پہلی سہ ماہی کے دوران، ایکویٹی نے تیز ترین بحالی کا مظاہرہ کیا کیونکہ شیخ مارک KMI-30 انڈیکس میں 6,921 پوائنٹس کا نمایاں اضافہ ہوا، لہذا اس مدت کے لیے 9.8% کا مستحکم منافع ہوا۔

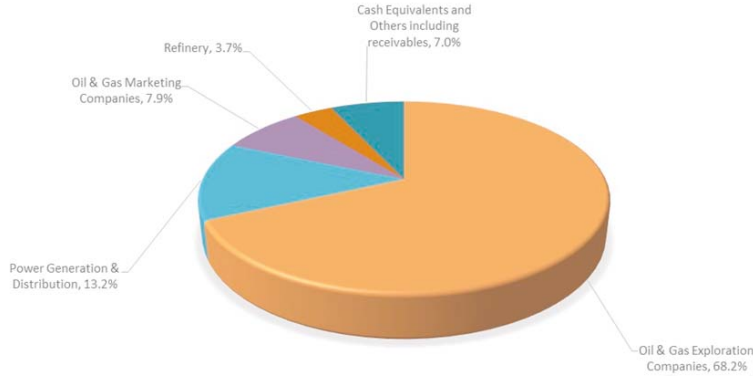
اسٹاک مارکیٹ میں سال کا آغاز ٹھوس بنیادوں پر ہوا ہے۔ 29 جون کو IMF کے ساتھ اسٹاف لیول ایگریمنٹ (SLA) پر دستخط وہ اہم تکتہ تھا جس نے سرمایہ کاروں کے رجحان اور اسٹاک مارکیٹ کا رخ بدل دیا۔ اس کے فوراً بعد، آئی ایم ایف کے ایگزیکٹو بورڈ نے 24 مارچ تک نومبر کے لیے 3 بلین امریکی ڈالر کے اسٹیٹمنٹ بائی ایگریمنٹ (SBA) کی منظوری بھی دی۔ اس کے ساتھ ہی، ملک کو سعودی عرب سے 2 بلین امریکی ڈالر وصول ہونے اور اس کے بعد متحدہ عرب امارات نے بھی 1 بلین امریکی ڈالر کی رقم جمع کرانے کی منظوری دی۔ آئی ایم ایف سے SBA کے 1.2 بلین امریکی ڈالر کے قرض کی پہلی قسط کی وصولی کے بعد ہوا۔ Fitch نے پاکستان کی طویل مدتی غیر ملکی کرنسی جاری کرنے والی ریٹنگ کو بھی اپ گریڈ کیا۔ SLA کے بعد بین الاقوامی مارکیٹ میں پاکستان کے ڈالر بانڈز میں بھی تیزی آگئی۔ IMF پروگرام کے دوبارہ شروع ہونے کے بعد، درآمدی پابندیاں ہٹادی گئیں، اور ادائیگیوں کا بیک لاگ بتدریج واضح، مالی سال 24 کے 2 ماہ کے دوران کرنٹ اکاؤنٹ خسارہ 935 بلین امریکی ڈالر تک اور کارکنوں کی ترسیلات زر بھی سالانہ بنیادوں پر 20 فیصد کم ہو کر پہلی سہ ماہی کے دوران 6.3 بلین امریکی ڈالر تک پہنچ گئیں۔ غیر ملکی زرمبادلہ مارکیٹ اس عرصے کے دوران کشیدہ رہی کیونکہ پاکستانی روپیہ نے ناکافی ذخائر اور کرب مارکیٹ میں غیر معمولی طلب کی وجہ سے تیز محرکات کا مظاہرہ کیا، جس نے انٹرنیٹ ریٹ پر بھی دباؤ ڈالا۔ تاہم، بروقت انتظامی اقدامات اور غیر قانونی تجارت کے خلاف کریک ڈاؤن نے استحکام فراہم کیا۔ CPI باسکٹ کے اہم اجزاء میں بڑے پیمانے پر اضافہ اور غذائی افراط زر میں بہت زیادہ اضافہ کی وجہ سے، مسلسل بنیادوں پر افراط زر کی شرح کم ہوئی، لیکن پھر بھی پہلی سہ ماہی کے دوران اوسط 29 فیصد کے قریب رہی۔ سہ ماہی کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے پالیسی شرح کو 22% پر برقرار رکھا، بیان کیا کہ اقتصادی غیر یقینی صورتحال بہتر ہوئی ہے، اور اگلے 12 مہینوں میں، خاص طور پر مالی سال 24 کی آخری ششماہی میں افراط زر کے ممکنہ ہونے کے امکان ہیں۔ اقتصادی مشکلات کے باوجود سٹاکس کے نفاذ کے باوجود، مالی سال 23 کے مجموعی منافع میں سالانہ بنیادوں پر تقریباً 20% کا اضافہ ہوا۔ KSE-100 انڈیکس کے مجموعی منافع میں سالانہ بنیادوں پر 66% کا اضافہ ہوا، جب کہ بلنڈ سیرٹیکس کے نفاذ کے باوجود، مالی سال 23 کے مجموعی منافع میں سالانہ بنیادوں پر تقریباً 20% کا اضافہ ہوا۔

سیکٹور اور کارکردگی کے لحاظ سے، آٹو پارٹس اینڈ ایسیریز، کیمیکل، کمرشل بینک، آئل اینڈ گیس ایکسپلوریشن، پاور جنریشن اینڈ ڈسٹری بیوٹن، ریفاؤنڈری، ٹرانسپورٹ سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب آٹو اسمبلرز، کیمیکل اینڈ الیکٹریکل گڈز، سینٹ، انجینئرنگ، فریٹلائزرز، فوڈ اینڈ پرنٹل کیمیکل، گلاس اینڈ سیرامکس، انشورنس، متفرق، پیپر اینڈ بورڈ، فارماسیوٹیکل، ٹیکنالوجی اور کمیونیکیشن، اور ٹیکسٹائل کمپوزٹ شعبوں نے مارکیٹ سے ایترا کارکردگی کا مظاہرہ کیا۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، انشورنس، کمپنیاں اور غیر ملکی بالتز تیب 45 ملین امریکی ڈالر، 25 ملین امریکی ڈالر اور 22 ملین امریکی ڈالر کی آمد کے ساتھ اہم خالص خریدار رہے۔ اس کے برعکس، بینک/DFIs اور میوچل فنڈز نے بالتز تیب 43 ملین امریکی ڈالر اور 38 ملین امریکی ڈالر تک اپنی خالص ہولڈنگز کو کم کر دیا۔

موجودہ مدت کے دوران NBP اسلامک انرجی فنڈ کا سائز 641 ملین روپے سے بڑھ کر 721 ملین روپے ہو گیا، یعنی 12.0% کا اضافہ ہوا۔ اس مدت کے دوران، NBP اسلامک انرجی فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 8.8630 روپے سے بڑھ کر 30 ستمبر 2023 کو 10.4625 روپے ہو گئی، لہذا 18.0% کا اضافہ ظاہر کیا۔ شیخ مارک میں (KMI-30 انڈیکس) 9.8% کا اضافہ ہوا۔ لہذا فنڈ کی کارکردگی زیر جائزہ مدت کے دوران اپنے شیخ مارک سے 8.2% بہتر رہی۔ اپنے قیام کے وقت (21 اپریل 2016) سے اب تک فنڈ کے یونٹ کی قیمت (Ex-Div) 8.6096 روپے سے بڑھ کر 30 ستمبر 2023 کو 10.4625 روپے ہو گئی، لہذا 21.5% کا اضافہ ظاہر کیا۔ اسی مدت کے دوران، فنڈ کے شیخ مارک میں 31.7% کا اضافہ ہوا، جس کے نتیجے میں 10.2% ایترا کارکردگی رہی۔ یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP اسلامک انرجی فنڈ کو موجودہ مدت کے دوران 110.94 ملین روپے کی مجموعی آمدنی ہوئی۔ 7.97 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 102.97 ملین روپے ہے۔

30 ستمبر 2023 کو فنڈ کی ایسٹ ایلوکییشن درج ذیل ہے:



NIEF کی کارکردگی بہ مقابلہ بیچ مارک



اظہار تشکر

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

بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2023

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2023

		(Unaudited) 30 September 2023	(Audited) 30 June 2023
	Note	(Rupees in '000)	
Assets			
Balances with banks		44,764	36,954
Investments	4	670,617	613,845
Profit receivable		382	450
Dividend receivable		15,109	-
Deposits and other receivable		5,700	5,604
Receivable against sell of investments		2,827	3,086
Receivable against issuance of units		-	500
Total assets		739,399	660,439
Liabilities			
Payable to NBP Fund Management Limited - Management Company		7,591	7,465
Remuneration payable to the Central Depository Company of Pakistan Limited - Trustee		131	117
Payable to Securities and Exchange Commission of Pakistan	7	55	136
Payable against redemption of units		1,008	571
Accrued expenses and other liabilities		9,137	10,749
Total liabilities		17,922	19,038
Net assets		721,477	641,401
Unit holders' fund (As per statement attached)		721,477	641,401
Contingencies and commitments	5		
		(Number of units)	
Number of units in issue		68,958,253	72,368,083
		(Rupees)	
Net assets value per unit		10.4625	8.8630

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended September 30 2023	Quarter Ended September 30 2022
	----- (Rupees in '000) -----	
Income		
Profit on bank deposits	1,629	843
Dividend income	19,741	24,272
Net gain on sale of investments	20,693	1,183
Net unrealised Appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	68,882	(45,794)
Total loss	110,945	(19,496)
Expenses		
Remuneration of Management Company	2,543	2,632
Sales tax on remuneration of Management Company	331	342
Reimbursement of allocated expenses	339	351
Reimbursement selling and marketing expense	3,301	3,597
Remuneration of Central Depository Company of Pakistan Limited - Trustee	339	351
Sindh Sales tax on remuneration of trustee	44	46
Annual fee - Securities and Exchange Commission of Pakistan	161	35
Settlement and bank charges	106	105
Securities and transaction cost	500	156
Listing Fee	5	7
Legal fee	37	36
Auditors' remuneration	251	218
Printing charges	18	17
Shariah Advisor fee	-	29
Total expenses	7,974	7,922
Net Income / (loss) for the period before taxation	102,971	(27,418)
Taxation	-	-
Net Income / (loss) for the period after taxation	102,971	(27,418)
Allocation of net income for the period:		
Net income for the period after taxation	102,971	-
Income already paid on units redeemed	(16,672)	-
	86,299	-
Accounting income available for distribution		
-Relating to capital gains	20,693	-
-Excluding capital gains	65,606	-
	86,299	-

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended September 30 2023 ----- (Rupees in '000) -----	Quarter Ended September 30 2022 ----- (Rupees in '000) -----
Net Income / (loss) for the period after taxation	102,971	(27,418)
Other comprehensive income / (loss) for the period	-	-
Total comprehensive loss for the period	<u>102,971</u>	<u>(27,418)</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended 2023			Quarter Ended 2022		
	Capital Value	Undistri-buted income	Total	Capital Value	Undistri-buted income	Total
Net assets at beginning of the period	647,995	(6,594)	641,401	722,940	(6,390)	716,550
Issue of 21,867,296 units (2022: 4,797,359 units)						
- Capital value	193,811	-	193,811	42,330	-	42,330
- Element of income	32,480	-	32,480	237	-	237
Total proceeds on issuance of units	226,291	-	226,291	42,567	-	42,567
Redemption of 25,277,126 units (2022: 9,869,280 units)						
- Capital value	(224,032)	-	(224,032)	(87,083)	-	(87,083)
- Element of income	(8,482)	(16,672)	(25,154)	210	-	210
Total payments on redemption of units	(232,514)	(16,672)	(249,186)	(86,873)	-	(86,873)
Total comprehensive loss for the period	-	102,971	102,971	-	(27,418)	(27,418)
Net assets at end of the period	641,772	96,377	721,477	678,634	(33,808)	644,827
Undistributed income / (loss) brought forward						
- Realised income		25,835			68,917	
- Unrealised loss		(32,429)			(75,307)	
		(6,594)			(6,390)	
Net Income / (loss) for the period after taxation		102,971			(27,418)	
Undistributed income carried forward		96,377			(33,808)	
Undistributed income carried forward						
- Realised income		27,495			11,986	
- Unrealised (loss)/ gain		68,882			(45,794)	
		96,377			(33,808)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		8.8630			8.8236	
Net assets value per unit at end of the period		10.4625			8.4694	

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended 2023 ----- (Rupees in '000) -----	Quarter Ended September 30 2022 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (loss) for the period before taxation	102,971	(27,418)
Adjustments for non-cash charges and other items:		
Net unrealised Appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(68,882)	45,794
	<u>34,089</u>	<u>18,376</u>
(Increase) / Decrease in assets		
Investments	12,370	37,686
Profit receivable	68	(66)
Dividend receivable	(15,109)	-
	(2,767)	37,620
(Decrease) / Increase in liabilities		
Payable to NBP Fund Management Limited - Management Company	126	(104)
Payable to the Central Depository Company of Pakistan Limited - Trustee	14	(7)
Payable to the Securities and Exchange Commission of Pakistan	(81)	(118)
Accrued expenses and other liabilities	(1,612)	411
	(1,553)	182
Net cash generated from operating activities	<u>29,767</u>	<u>56,178</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	226,791	43,442
Payments on redemption of units	(248,749)	(86,448)
Net cash (used in) generated from financing activities	(21,958)	(43,006)
Net increase in cash and cash equivalents during the period	<u>7,810</u>	<u>13,173</u>
Cash and cash equivalents at beginning of the period	36,954	25,981
Cash and cash equivalents at end of the period	<u><u>44,764</u></u>	<u><u>39,153</u></u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.

4	INVESTMENTS	Note	Un-Audited As at September 30, 2023	Audited As at June 30, 2023
	Financial assets 'at fair value through profit or loss'			
	- Listed equity securities	4.1	670,617	613,845

4.1 Investments in shares of companies at fair value through profit or loss

Name of the investee company	As at July 1, 2023	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2023	Market Value as at September 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investment	Nominal value as a percentage of Paid up capital of the investee company
	Number of shares					(Rupees in '000)		%	
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	79,822	9,062		9,650	79,234	123,612	17.13	18.43	0.06
Oil & Gas Development Company Limited	1,517,300	278,500		360,000	1,435,800	138,497	19.20	20.65	0.03
Pakistan Oilfields Limited	256,271	-		31,800	224,471	87,490	12.13	13.05	0.08
Pakistan Petroleum Limited	1,911,796	499,500		489,000	1,922,296	142,384	19.74	21.23	0.07
OIL AND GAS MARKETING COMPANIES									
Attock Petroleum Limited	9,104	12,000		3,200	17,904	5,218	0.72	0.78	0.01
Hi-Tech Lubricants Limited	22,140	-		22,140	-	-	-	-	-
Pakistan State Oil Company Limited	163,130	160,300		115,900	207,530	25,472	3.53	3.80	0.04
Shell (Pakistan) Limited	3,000	-		3,000	-	-	-	-	-
Sui Southern Gas Company Limited	310,000	-		-	310,000	2,849	0.39	0.42	0.04
Sui Northern Gas Pipelines Limited	214,700	372,500		91,500	495,700	23,288	3.23	3.47	0.08
POWER GENERATION AND DISTRIBUTION									
Hub Power Company Limited	1,235,875	100,000		328,000	1,007,875	89,026	12.34	13.28	0.08
K-Electric Limited	2,431,000	-		-	2,431,000	4,765	0.66	0.71	0.01
Lalpir Power Limited	153,500	-		58,500	95,000	1,474	0.20	0.22	0.03
REFINERY									
Attock Refinery Limited	194,172	7,500		97,400	104,272	26,541	3.68	3.96	0.10
						<u>670,617</u>	<u>92.95</u>	<u>100.00</u>	
Carrying value as at September 30, 2023						<u>601,734</u>			

4.1.1 Investments include shares with market value of Rs. 71.875 million (June 30, 2023: Rs. 65.849 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no.11 dated October 23, 2007 issued by the SECP.

5 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2023 and June 30, 2023.

6 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 2.05% in the month of July 2023 and 1.9% from August 01, 2023 per annum of the net assets of the Fund.

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

As per NBFC Regulation 62(1) w.e.f. July 01, 2023, the Asset Management Company, within fifteen days of the close of every calendar month of the Collective Investment Scheme, shall pay the Commission non-refundable fee which is 0.095% of average annual net assets of the CIS.

8 TAXATION

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

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

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.71% (September 30, 2022: 4.52%) which includes 0.32% (September 30, 2022: 0.24%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "shari'ah compliant equity" scheme.

10 TRANSACTIONS WITH CONNECTED PERSONS

10.1 Connected persons include NBP Fund Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and its connected persons and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, 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, directors and their close family members and key management personnel of the Management Company.

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

10.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively

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

Un audited
For the Quarter ended
September 30,
2023 2022
(Rupees in '000)

10.5 Details of the transactions with connected persons are as follows:

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	2,543	2,632
Sindh sales tax on remuneration of the Management Company	331	342
Reimbursement of allocated expenses	339	351
Reimbursement of selling and marketing expense	3,301	3,597
Sales and transfer load	33	80
Sindh sales tax on sales load	4	10

	Un audited For the Quarter ended September 30,	
	2023	2022
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	339	351
Sindh sales tax on remuneration	44	46
Employees Of The NBP Funds - Employee		
Units Issued / Trasferred In: 5,401,349 units (2022: 2,459,553 units)	55,462	21,703
Units redeemed / transferred out: 3,021,039 units (2022: 2,411,595 units)	30,968	21,384
Taurus Securities Limited - Common Directorship		
Brokerage Expense	90	13
Portfolio Managed By The Management Company - Related Party		
Units Issued / Trasferred In: 6,656,265 units (2022: Nil)	69,424	-
Units Redeemed / Transferred Out: 1,344,554 units (2022: Nil)	13,582	-
Bank Islami Pakistan Limited - Common Directorship**		
Profit on bank deposits	-	624
National Clearing Company of Pakistan Limited - Common Directorship**		
NCCPL charges	-	87
K-Electric Limited - Common Directorship **		
Shares purchased - Nil (2022: 1,050,000 Shares)	-	3,458
	Un-audited As at September 30, 2023	Audited As at June 30, 2023
	(Rupees in '000)	
10.6	Amounts outstanding as at period/ year end are as follows :	
NBP Fund Management Limited - Management Company		
Remuneration payable to the Management Company	867	774
Sindh sales tax on remuneration of the Management Company	113	101
Federal Excise Duty on remuneration of the Management Company	583	583
Front-end load payable	709	676
Sindh sales tax on front end load	114	109
Federal Excise Duty on front end load	1,501	1,501
Reimbursement selling and marketing expense payable	3,301	3,374
Others	16	16
Reimbursement of allocated expenses payable	339	329
ADC Share - Payable To Management Company	48	2
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	110	103
Sindh sales tax on the remuneration of trustee	14	13
Security deposit	100	100
Employees Of The NBP Funds - Employee		
Units held: 2,782,290 units (June 30, 2023: 401,980 units)	29,110	3,563
National Bank of Pakistan (Parent Company)		
Bank balances	119	16

	Un-audited As at September 30, 2023	Audited As at June 30, 2023
	(Rupees in '000)	
Taurus Securities Limited - Common Directorship**		
Brokerage payable	-	28
Portfolio managed by the Management Company*		
Units held: 5,311,711 units (June 30, 2023: Nil)	55,574	-
Farida Ali Asghar - Holding more than 10%		
Units held 9,891,411 units (June 2023: 20,652,569 units)	103,489	183,044
K-Electric Limited - Common Directorship		
Shares held 2,431,000 units (June 2023: 2,431,000 Shares)	4,765	4,181

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

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

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2023.

12 GENERAL

12.1 Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

12.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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