

**NBP FUNDS**

Managing Your Savings

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Islamic Savings

**NBP Fund Management Limited**



# NBP ISLAMIC MAHANA AMDANI 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."



## Contents

<b>FUND'S INFORMATION</b>	<b>03</b>
<b>DIRECTORS' REPORT</b>	<b>05</b>
<b>CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES</b>	<b>09</b>
<b>CONDENSED INTERIM INCOME STATEMENT</b>	<b>10</b>
<b>CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME</b>	<b>11</b>
<b>CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND</b>	<b>12</b>
<b>CONDENSED INTERIM CASH FLOW STATEMENT</b>	<b>13</b>
<b>NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS</b>	<b>14</b>

## 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

Al Baraka Bank Limited  
Allied Bank Limited  
Bank Al Habib Limited  
Bank Islami Pakistan Limited  
Bank Alfalah Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
Habib Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Silk Bank Limited  
Soneri 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 4, Scheme 5,  
Clifton, Karachi 75600, Pakistan.

## **Head Office:**

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

## **Lahore Office:**

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

## **Islamabad Office:**

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

## **Peshawar Office:**

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

## **Multan Office:**

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

## DIRECTORS' REPORT

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

### Fund's Performance

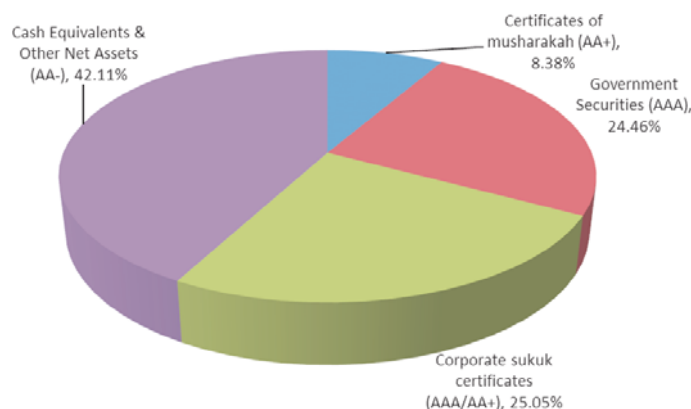
During the quarter, two Monetary Policy Committee meetings were held and SBP maintained the policy rate at 22%. The stress on external accounts and PKR continued as fiscal discipline remained weak, though PKR depreciation was eventually brought under control with administrative measures. Inflation as measured by the CPI averaged at 29% for the quarter. With the recent surge in oil prices and expected hike in gas tariffs, the inflation is expected to remain elevated in the near term, though a decline is expected from next half as high base effect kicks in. The upcoming debt repayments and weak investment inflows will exert pressure on FX reserves. The net liquid foreign exchange reserves with SBP as at 28-Sep-23 stood at USD 7.62 billion (down by USD 543.8million compared to July 2023). This signifies grave challenges & risks to financial stability. The primary market for Corporate Sukuks remained under-supplied against the growing demand. In the secondary market, the trading activity in Corporate Sukuks was slow with a cumulative traded value of Rs. 1.05 billion.

NIMAF is categorized as a Shariah Compliant Income Fund. The Fund aims to provide monthly income to investors by investing in Shariah Compliant money market and debt avenues. Minimum eligible rating is A-, while the Fund is allowed to invest with Islamic Banks, Islamic branches / windows of conventional banks providing easy liquidity. The Fund is allowed to invest in Shariah Compliant Money Market instruments & debt securities rated A- or better. The Fund is not authorized to invest in Equities. The weighted average time to maturity of the Fund cannot exceed 4 years excluding government securities.

The size of NBP Islamic Mahana Amdani Fund has increased from Rs. 8,616 million to Rs. 9,289 million during the period (i.e., a growth of 8%). The unit price of the Fund has increased from Rs. 10.1057 on June 30, 2023 to Rs. 10.6037 on September 30, 2023, thus showing return of 19.6% p.a. as compared to its benchmark return of 7.6% p.a. for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 469.515 million during the quarter. After deducting total expenses of Rs. 40.470 million, the net income is Rs. 429.045 million.

The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset class of NIMAF:



## 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 2023ء کو ختم ہونے والی سہ ماہی کے لئے NBP اسلامک ماہانہ آمدنی فنڈ (NIMAF) کے غیر جانچ شدہ کنڈینسڈ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

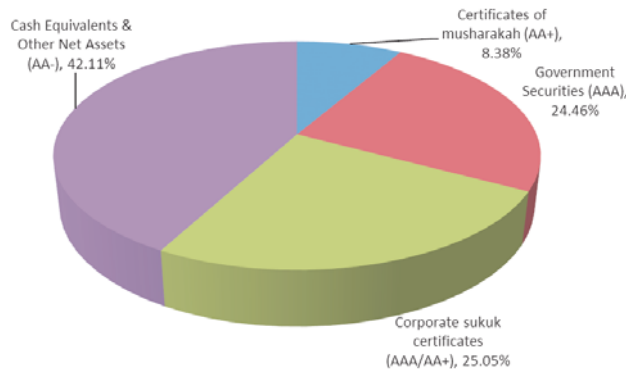
### فنڈ کی کارکردگی

سہ ماہی کے دوران، مانیٹری پالیسی کمیٹی کے دو اجلاس منعقد ہوئے اور اسٹیٹ بینک نے پالیسی شرح کو 22% پر برقرار رکھا۔ بیرونی کھاتوں اور پاکستانی روپیہ پر دباؤ جاری رہا کیونکہ مالی نظم و ضبط کمزور رہا، حالانکہ پاکستانی روپیہ کی قدر میں کمی کو بالآخر انتظامی اقدامات سے قابو میں لایا گیا۔ CPI کی طرف سے پیشکش کردہ مہنگائی اس سہ ماہی کے لئے اوسطاً 29% رہی۔ تیل کی قیمتوں میں حالیہ اضافہ اور گیس کے نرخوں میں متوقع اضافہ کے ساتھ قریب مدت میں مہنگائی کے بلند رہنے کی توقع ہے، حالانکہ اگلی ششماہی سے کسی کی توقع ہے کیونکہ زیادہ تر عیس کا اثر شروع ہوگا۔ آئندہ قرضوں کی ادائیگی اور کم سرمایہ کاری بہاؤ FX ذخائر پر دباؤ ڈالیں گے۔ 28 ستمبر 2023 کو SBP کے ہاں خالص لیکویڈ زرمبادلہ کے ذخائر 7.62 بلین امریکی ڈالر (جولائی 2023 کے مقابلے میں 543.8 بلین امریکی ڈالر کی کمی) ہیں۔ یہ مالیاتی استحکام کے لیے سنگین مشکلات اور خطرات کی نشاندہی کرتا ہے۔ پرائمری مارکیٹ میں کارپوریٹ سکوک کے لیے زیادہ طلب کے مقابلے میں رسد کم رہی۔ ثانوی مارکیٹ میں، کارپوریٹ سکوک میں تجارتی سرگرمیاں سست رہیں جہاں 1.05 بلین روپے کی مجموعی تجارت ہوئی۔

NIMAF شریعت کے مطابق انکم فنڈ کے طور پر درجہ بندی کیا جاتا ہے۔ فنڈ کا مقصد شریعتی مطابقت پذیر بنی مارکیٹ اور قرض کی آمد میں سرمایہ کاری کر کے سرمایہ کاروں کو ماہانہ آمدنی فراہم کرنا ہے۔ کم از کم اہل درجہ بندی - A، جبکہ فنڈ اسلامی بینکوں، اسلامی شاخوں / روایتی بینکوں کی وند و آسان فراہمی کرنے کے ساتھ سرمایہ کاری کرنے کی اجازت دی جاتی ہے۔ فنڈ شریعت کے مطابق Money Market Instruments اور Debt Securities میں سرمایہ کاری کرنے کی اجازت دیتا ہے جو -A یا اس سے بہتر ہو۔ فنڈ ایکویٹیز میں سرمایہ کاری کرنے کا اختیار نہیں رکھتا۔ فنڈ کی اوسط میچورٹی گورنمنٹ سکیورٹیز کے علاوہ 4 سال سے زائد نہیں ہے۔

موجودہ مدت کے دوران NBP اسلامک ماہانہ آمدنی فنڈ کا سائز 8,616 بلین روپے سے بڑھ کر 9,289 بلین روپے ہو گیا ہے یعنی 8% کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2023 کو 10.1057 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2023 کو 10.6037 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 7.6% سالانہ کے مقابلے میں 19.6% سالانہ منافع درج کیا۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے سہ ماہی کے دوران 469.515 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 40.470 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 429.045 بلین روپے ہے۔ درج ذیل چارٹ NIMAF کی ایسٹ ابلویشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیشکش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:







## اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

**NBP** مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2023

مقام: کراچی

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

	Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
(Rupees in '000)			
<b>Assets</b>			
Bank balances	4	4,716,690	3,439,569
Investments	5	5,377,213	5,110,561
Profit receivable		404,793	203,525
Receivable against transfer of units		2,778	88,702
Preliminary expenses and floatation costs		3	53
Deposits, prepayments and other receivables		2,982	3,023
<b>Total Assets</b>		<b>10,504,459</b>	<b>8,845,433</b>
<b>Liabilities</b>			
Payable to NBP Fund Management Limited - the Management Company		42,511	34,312
Payable to Central Depository Company of Pakistan Limited - the Trustee		703	641
Payable to the Securities and Exchange Commission of Pakistan	8	558	2,010
Payable against redemption of units		11,350	10,568
Payable against purchase of investments		1,147,165	-
Accrued expenses and other liabilities		12,833	181,648
<b>Total Liabilities</b>		<b>1,215,120</b>	<b>229,179</b>
<b>Net Assets</b>		<b>9,289,339</b>	<b>8,616,254</b>
<b>Unit holders' funds (As per Statement attached)</b>		<b>9,289,339</b>	<b>8,616,254</b>
<b>Contingencies and commitments</b>			
(Number of units)			
<b>Number of units in issue</b>	6	<b>876,046,483</b>	<b>852,614,679</b>
(Rupees)			
<b>Net asset value per unit</b>		<b>10.6037</b>	<b>10.1057</b>

The annexed notes 1 to 13 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

Note	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022
Rupees in '000		
<b>Income</b>		
Income on sukuk certificates	191,213	163,596
Income on Islamic commercial papers	-	3,977
Income on term deposit receipts	54,848	-
Profit on savings accounts	178,432	172,304
Income on certificates of musharakah	42,819	46,127
Gain on sale of investments - net	-	73
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	2,203	(13,034)
<b>Total Income</b>	<b>469,515</b>	<b>373,043</b>
<b>Expenses</b>		
Remuneration of the Management Company	10,120	5,422
Sindh Sales Tax on remuneration of the Management Company	1,316	705
Reimbursement of allocated expenses	3,365	3,274
Reimbursement of selling and marketing expenses	21,102	27,500
Remuneration of the Trustee	1,683	1,964
Sales Tax on remuneration of the Trustee	219	255
Annual fees to the Securities and Exchange Commission of Pakistan	1,683	524
Amortisation of preliminary expenses and floatation costs	51	51
Securities and transaction cost	131	24
Settlement and bank charges	141	258
Auditors' remuneration	138	184
Annual rating fee	60	60
Shariah advisory fee	391	476
Listing fee	7	7
Printing charges	20	32
Legal and professional charges	43	46
<b>Total Expenses</b>	<b>40,470</b>	<b>40,782</b>
<b>Net income for the period before taxation</b>	<b>429,045</b>	<b>332,261</b>
<b>Taxation</b>	-	-
<b>Net income for the period after taxation</b>	<b>429,045</b>	<b>332,261</b>
<b>Allocation of Net income for the period:</b>		
Net income for the period	429,045	332,261
Income already paid on units redeemed	(36,812)	(30,885)
	<b>392,233</b>	<b>301,376</b>
<b>Accounting Income available for distribution:</b>		
- Relating to capital gains	2,203	-
- Excluding capital gains	390,030	301,376
	<b>392,233</b>	<b>301,376</b>

The annexed notes 1 to 13 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	Quarter Ended September 30, 2022
	Rupees in '000'	
Net income for the period after taxation	429,045	332,261
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>429,045</b>	<b>332,261</b>

The annexed notes 1 to 13 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

Note	Quarter Ended September 30, 2023			Quarter Ended September 30, 2022		
	Capital value	Undistributed profit	Total	Capital value	Undistributed profit	Total
----- (Rupees in '000) -----						
<b>Net Assets at beginning of the year</b>	8,499,708	116,546	8,616,254	10,286,249	78,727	10,364,976
Issuance of 262,616,421 units (2022 : 152,726,734 units)						
- Capital value	2,653,923	-	2,653,923	1,536,400	-	1,536,400
- Element of Income	59,430	-	59,430	24,051	-	24,051
Total proceeds on issuance of units	2,713,353	-	2,713,353	1,560,451	-	1,560,451
Redemption of 239,184,617 units (2022 : 209,535,308 units)						
- Capital value	(2,417,128)	-	(2,417,128)	(2,107,883)	-	(2,107,883)
- Element of (Loss)	(15,373)	(36,812)	(52,185)	(6,947)	(30,885)	(37,832)
Total payments on redemption of units	(2,432,501)	(36,812)	(2,469,313)	(2,114,830)	(30,885)	(2,145,715)
Total comprehensive Income for the period	-	429,045	429,045	-	332,261	332,261
<b>Net assets at end of the period</b>	<b>8,780,560</b>	<b>508,779</b>	<b>9,289,339</b>	<b>9,731,870</b>	<b>380,103</b>	<b>10,111,973</b>
Undistributed Income brought forward						
- Realised income		139,480			74,265	
- Unrealised income		(22,934)			4,462	
		116,546			78,727	
Accounting income available for distribution:						
- Relating to capital gains		2,203			-	
- Excluding capital gains		390,030			301,376	
		392,233			301,376	
Undistributed income carried forward		508,779			380,103	
Undistributed income carried forward						
- Realised Income		506,576			393,137	
- Unrealised Income / (loss)		2,203			(13,034)	
		508,779			380,103	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			10.1057			10.0598
Net assets value per unit at end of the period			10.6037			10.3870

The annexed notes 1 to 13 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

Note	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	429,045	332,261
<b>Adjustments for:</b>		
Amortisation of preliminary expenses and floatation costs	51	51
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(2,203)	13,034
	<u>426,893</u>	<u>345,346</u>
<b>(Increase) / Decrease in assets</b>		
Investments	(264,450)	708,949
Profit receivable	(201,268)	(60,723)
Deposits, prepayments and other receivables	41	40
	(465,677)	648,266
<b>Increase / (Decrease) in liabilities</b>		
Payable to NBP Fund Management Limited - the Management Company	8,199	(4,477)
Payable to Central Depository Company of Pakistan Limited - the Trustee	62	(80)
Payable to the Securities and Exchange Commission of Pakistan	(1,452)	(2,053)
Payable against purchase of investments	1,147,165	(901,429)
Accrued expenses and other liabilities	(168,815)	(134,571)
	985,159	(1,042,610)
<b>Net cash generated from / (used in) operating activities</b>	<u>946,375</u>	<u>(48,998)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net receipts from issue of units	2,799,277	1,577,379
Net payments on redemption of units	(2,468,531)	(2,154,690)
<b>Net cash generated from / (used in) financing activities</b>	<u>330,746</u>	<u>(577,311)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	1,277,121	(626,309)
Cash and cash equivalents at the beginning of the period	3,439,569	5,027,270
<b>Cash and cash equivalents at the end of the period</b>	<u>4,716,690</u>	<u>4,400,961</u>

The annexed notes 1 to 13 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 Mahana Amdani Fund (the Fund) is an open end mutual fund constituted under a Trust Deed entered into on August 09, 2018 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 07, 2018.

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.

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 through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (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 Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Shariah compliant income scheme' by the Board of Directors 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 units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from October 07, 2018 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant money market and debt securities.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on June 22, 2023 (2022: AM1 on June 22, 2022). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has upgraded the stability rating of the Fund to A+(f) on April 14, 2023 (2022: A+(f) on April 19, 2022).

The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part 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 declare 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 condensed interim 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 BANK BALANCES	Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
Rupees in '000			
Balances with banks in:			
Savings accounts	4.1	4,686,429	3,396,747
Current accounts		<u>30,261</u>	<u>42,822</u>
		<u><b>4,716,690</b></u>	<u><b>3,439,569</b></u>

- 4.1** These include a balance of Rs 18.871 million (2023: Rs 0.733 million) with National Bank of Pakistan (a related party) that carries profit at the rate of 14% (2023: 18.4%) per annum. Other savings accounts of the Fund carry profit at rates ranging from 10.00% to 21.25% (2023: 10.00% to 20.50%) per annum.



5 INVESTMENTS	Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		Rupees in '000	
<b>Financial assets at fair value through profit or loss</b>			
Government securities	5.1	2,272,090	658,515
Corporate sukuk certificates	5.2	2,327,091	2,513,689
Term deposit receipts		-	1,200,000
Certificates of musharakah	5.3	778,032	738,357
		<b>5,377,213</b>	<b>5,110,561</b>

## 5.1 Government securities

Name of the security	Maturity Date	Profit rate	As at July 01, 2023	Purchased during the period	Sales / redemptions during the period	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets
GoP Ijarah Sukuks - FRR 20	17-Apr-24	21.25%	620	-	-	620	62,067	62,062	1.15	0.67
GoP Ijarah Sukuk Certificates - XXI	29-May-25	Weighted average 6 months T-Bills	6,003	-	-	6,003	596,448	596,698	11.10	6.42
GoP Ijarah Sukuks - VRR 20	17-Apr-24	22.68%	-	5,000	-	5,000	500,950	505,850	9.41	5.45
GoP Ijarah Sukuks - VRR 37	7-Aug-24	23.71%	-	11,000	-	11,000	1,107,150	1,107,480	20.60	11.92
<b>Total as at September 30, 2023</b>							<b>2,266,615</b>	<b>2,272,090</b>		

## 5.2 Corporate sukuk certificates

Name of the security	Maturity Date	Profit rate	As at July 01, 2023	Purchased during the period	Sales / redemptions during the period	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets	
											Number of certificates
<b>COMMERCIAL BANKS</b>											
Meezan Bank Limited	16-Dec-31	6 months KIBOR plus base rate of 0.35%	170	-	-	170	168,300	168,100	3.13	1.81	
<b>POWER GENERATION AND DISTRIBUTION</b>											
Hub Power Holding Company Limited	12-Nov-25	6 months KIBOR plus base rate of 2.50%	4,950	-	-	4,950	508,018	504,771	9.39	5.43	
Hub Power Company Limited	19-Mar-24	1 year KIBOR plus base rate of 1.90%	6,500	-	-	6,500	164,125	163,293	3.04	1.76	
K-Electric Limited	3-Aug-27	3 months KIBOR plus base rate of 1.7%	83,300	-	-	83,300	339,690	340,697	6.34	3.67	
Pakistan Energy Sukuk-II	21-May-30	6 months KIBOR plus base rate of 0.10%	230,000	-	-	230,000	1,150,230	1,150,230	21.39	12.38	
<b>Total as at September 30, 2023</b>							<b>2,330,363</b>	<b>2,327,091</b>			

## 5.3 Certificates of musharakah

Name of Investee Company	Maturity Date	Profit rate	As at July 01, 2023	Placed during the period	Matured during the period	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets
						Rupees in '000		Percentage		
First Habib Modaraba	26-Oct-23	22.25%	-	662,033	-	662,033	662,033	662,033	12.31	7.13
First Habib Modaraba	20-Dec-23	22.25%	-	115,999	-	115,999	115,999	115,999	2.16	1.25
<b>Total as at September 30, 2023</b>							<u>778,032</u>	<u>778,032</u>		

## 6 CONTINGENCIES AND COMMITMENTS

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

## 7 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.90% per annum of the net assets of the Fund.

## 8 PAYABLE TO THE 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 0.075% of average annual net assets of this CIS.

## 9 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 accumulated losses and 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, 2024 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.

## 10 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.80% (September 30, 2022: 1.56%) which includes 0.14% (September 30, 2022: 0.06%) representing Government Levies, and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Shariah compliant income" scheme.

## 11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

11.1 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, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.

- 11.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 11.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 11.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 11.5** Details of transactions with related parties / connected persons during the period are as follows:

	(Un-Audited)	
	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022
	Rupees in '000	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of the Management Company	10,120	5,422
Sindh Sales Tax on remuneration of the Management Company	1,316	705
Sales load and transfer load including sales tax during the period	8,663	3,878
ADC charges including Sindh sales tax	1,998	1,604
Reimbursement of allocated expenses	3,365	3,274
Reimbursement of selling and marketing expenses	21,102	27,500
Amortisation of preliminary expenses and floatation costs	51	51
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	1,683	1,964
Sindh sales tax on remuneration of Trustee	219	255
<b>Dr Amjad Waheed - Chief Executive Officer</b>		
591 units redeemed / transferred out (2022 : 591 units)	6	6
<b>Employees of NBP Fund Management Limited</b>		
4,783,394 units issued / transferred in (2022 : 1,722,766 units)	49,800	17,634
5,183,864 units redeemed / transferred out (2022 : 2,611,781 units)	53,346	26,752
<b>Khalid Mehmood - Chief Financial Officer</b>		
Nil units issued / transferred in (2022 : 28 units) **	-	-
<b>Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary</b>		
Nil units redeemed / transferred out (2022 : 1,160 units)	-	12
<b>Portfolio managed by the Management Company</b>		
Nil units redeemed / transferred out (2022: 737 units)	-	8
Sell of Gop Ijarah Sukuk	-	51,290
<b>National Bank of Pakistan Limited - parent company</b>		
Profit on savings account	264	53
<b>BankIslami Pakistan Limited - common directorship*</b>		
Profit on savings account	-	20,202
<b>K - Electric Limited - common directorship</b>		
Purchase of K-electric sukuk	-	360,000
Income on sukuk certificates	20,808	42,347

11.6 Amounts / balances outstanding as at period end:	(Un- Audited) September 30, 2023	Audited June 30, 2023
	Rupees in '000	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration payable to the Management Company	3,758	2,267
Sindh sales tax payable on remuneration of the Management Company	488	295
Sales load payable to management company	8,625	1,085
Transfer load payable	127	-
ADC charges payable including Sindh sales tax	3,820	1,831
Other payable to the Management Company	80	80
Sindh sales tax payable on sales load	1,146	141
Reimbursement of allocated expenses payable	3,365	3,461
Reimbursement of selling and marketing expenses payable	21,102	25,152
<b>Employees of the Management Company</b>		
Units held: 5,476,968 (2023: 5,729,561) units	58,076	57,901
<b>Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary</b>		
Units held: 583 (2023: 583) units	6	6
<b>Imran Zaffar - Director</b>		
Units held: 2,561 (2023: 2,561) units	27	26
<b>Portfolio managed by the Management Company</b>		
Units held: 730 (2023: 730) units	8	7
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration payable to the Trustee	558	567
Sindh sales tax on remuneration of the Trustee	145	74
Security deposit	103	103
Settlement charges	93	164
<b>K-Electric Limited - common directorship</b>		
Corporate sukuks certificates	340,697	360,515
Accrued profit on corporate sukuks certificates	13,206	13,591
<b>Khalid Mehmood - Chief Financial Officer</b>		
Units held: 32 (2023: 32) units**	-	-
<b>National Bank of Pakistan - Parent company</b>		
Bank balances	18,871	7,330
Profit receivable on bank balances	119	89

\* Current period figure have not been presented as the person is not a related party / connected person as at September 30, 2023.

\*\* Nil due to rounding off.

## 12 DATE OF AUTHORISATION FOR ISSUE

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

## 13 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

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

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

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

\_\_\_\_\_  
Director

## Head Office

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