

NBP FUNDS

Managing Your Savings

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Islamic Savings

اسلامک سیونگز

NBP Fund Management Limited



NBP ISLAMIC MUSTAHKAM 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

Habib Bank Limited
United Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Limited

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - II (NIFTMP-II)** for the quarter ended September 30, 2023.

Fund's Performance

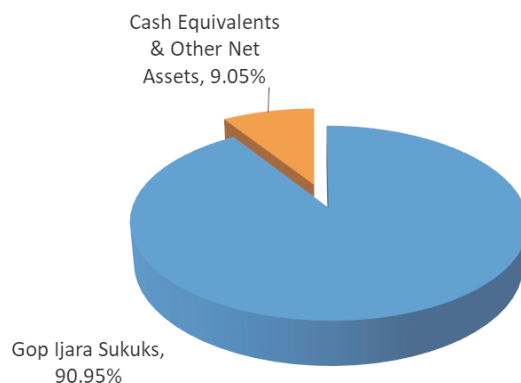
During the quarter, two Monetary Policy Committee meetings were held and SBP maintained the policy rate at 22%. The stress on external accounts and PKR continued as fiscal discipline remained weak, though PKR depreciation was eventually brought under control with administrative measures. Inflation as 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 stand 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.

NIFTMP-II is categorized as an Open-End Shariah Compliant Fixed Rate / Return Plan. The fund aims to provide investors with potentially higher returns, for fixed tenure by investing primarily in Shariah Compliant Fixed Income instruments for a specific duration of time.

The Plan invests in GOP Ijarah Sukuk in line with the maturity of the plan, in order to deliver a fixed return to its unit holders at maturity. NIFTMP-II has an initial maturity of 1 year.

The size of NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - II has increased from Rs. 692 million to Rs. 720 million during the period (i.e., a growth of 4%). The unit price of the Fund has increased from Rs. 10.0265 on June 30, 2023 to Rs. 10.5118 on September 30, 2023, thus showing return of 19.2% p.a. as compared to its benchmark return of 6.6% 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. 35.35 million during the period. After deducting total expenses of Rs. 1.98 million, the net income is Rs. 33.37 million. The asset allocation of NIFTMP-II as on September 30, 2023 is as follows:



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: 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 مستحکم فنڈ - NBP اسلامک فکسڈ ٹرم منافع پلان-II (NIFTMP-II) کے غیر جانچ شدہ کنڈیٹسڈ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

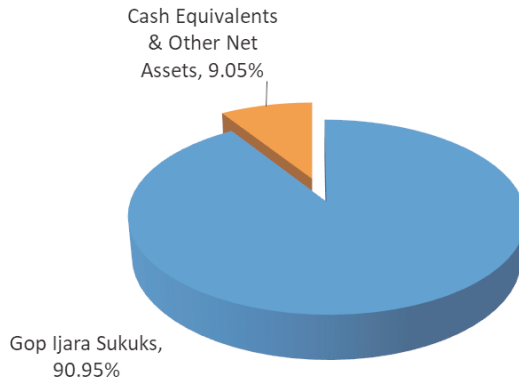
سہ ماہی کے دوران، مائٹری پالیسی کمیٹی کے دو اجلاس منعقد ہوئے اور اسٹیٹ بینک نے پالیسی شرح کو 22% پر برقرار رکھا۔ بیرونی کھاتوں اور پاکستانی روپیہ پر دباؤ جاری رہا کیونکہ مالی نظم و ضبط کمزور رہا، حالانکہ پاکستانی روپیہ کی قدر میں کمی کو بالآخر انتظامی اقدامات سے قابو میں لایا گیا۔ CPI کی طرف سے پیش کردہ 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 کا بلند رہنے کی توقع ہے، حالانکہ اگلی ششماہی سے کمی کی توقع ہے کیونکہ زیادہ تیس کا اثر شروع ہوگا۔ آئندہ قرضوں کی ادائیگی اور کم سرمایہ کاری بہاؤ FX ذخائر پر دباؤ ڈالیں گے۔ 28 ستمبر 23 کو SBP کے ہاں خالص لیکویڈز ریمبادلہ 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۔

NIFTMP-II کی ایک اوپن انڈسٹری کیمپلیٹ فکسڈ ریٹ/ریٹرن پلان کے طور پر درجہ بندی کی گئی ہے۔ فنڈ کا مقصد سرمایہ کاروں کو مخصوص دورانہ شریعہ کیمپلیٹ فکسڈ انٹرنیشنل منٹس میں بنیادی سرمایہ کاری کر کے مقررہ مدت کے لئے ممکنہ زیادہ منافع فراہم کرنا ہے۔

پلان میچورٹی پر اپنے یونٹ ہولڈرز کو مقررہ منافع فراہم کرنے کے لئے پلان کی میچورٹی کے مطابق GOP اجارہ سکوک میں سرمایہ کاری کرتا ہے۔ NIFTMP-II کی بنیادی میچورٹی 1 سال ہے۔

مدت کے دوران NBP اسلامک مستحکم فنڈ - NBP اسلامک فکسڈ ٹرم منافع پلان-II کا سائز 692 ملین روپے سے بڑھ کر 720 ملین روپے (یعنی 4% کا اضافہ) ہو گیا۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 10.0265 روپے سے بڑھ کر 30 ستمبر 2023 کو 10.5118 روپے ہو گئی۔ لہذا اس مدت کے دوران فنڈ نے اپنے نیٹ منافع 6.6% سالانہ کے مقابلے میں 19.2% سالانہ منافع درج کیا ہے۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 35.35 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 1.98 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 33.37 ملین روپے ہے۔ 30 ستمبر 2023 کو NIFTMP-II کی ایسٹ ایلیویشن حسب ذیل ہے:



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے اینجمنٹ کمیٹی 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 اینجمنٹ کمیٹی

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---	-----Audited-----		Total
		NIFTM PLAN-II September 30, 2023	NIFTM PLAN-II	NIFTM PLAN-I	
Rupees in '000					
ASSETS					
Balances with banks	4	3,180	5,731	2,493	8,224
Investments	5	654,654	659,713	384,000	1,043,713
Profit receivable		63,656	28,865	6,612	35,477
Deposits, prepayments and other receivables		102	138	114	252
Total assets		721,592	694,447	393,219	1,087,666
LIABILITIES					
Payable to the Management Company		1,200	1,242	537	1,779
Payable to the Central Depository Company of Pakistan Limited -Trustee		36	35	21	56
Payable to the Securities and Exchange Commission of Pakistan	8	44	29	7	36
Accrued expenses and other liabilities		553	1,433	814	2,247
Total Liabilities		1,833	2,739	1,379	4,118
NET ASSETS		719,759	691,708	391,840	1,083,548
UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)		719,759	691,708	391,840	1,083,548
CONTINGENCIES AND COMMITMENTS	6				
Number of units					
NUMBER OF UNITS IN ISSUE		68,471,288	68,987,703	39,079,898	
Rupees					
NET ASSET VALUE PER UNIT		10.5118	10.0265	10.0266	

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

	NIFTM PLAN-II
	Quarter Ended September 30, 2023
Note	Rupees in '000
INCOME	
Return / profit on;	
- bank balances	226
- government Ijarah Sukuk securities	35,178
- Contingent load income	35
Capital (Loss) on sale of investments - net	(35)
Unrealised (diminution) in the value of investments at fair value 'through profit or loss' - net	(54)
Total income	35,350
EXPENSES	
Remuneration of the Management Company	749
Sindh Sale Tax on Management Company's remuneration	97
Reimbursement of allocated expenses	266
Remuneration of the Central Depository Company of Pakistan Ltd. - Trustee	98
Sindh Sale Tax on remuneration of trustee	13
Reimbursement of selling and marketing expenses	399
Annual fee - Securities and Exchange Commission of Pakistan	133
Auditors' remuneration	136
Listing fee	7
Amortisation of preliminary expenses and floatation costs	44
Printing charges	5
Legal fee	10
Shariah advisor fee	9
Settlement & Bank charges	14
Total expenses	1,980
Net income from operating activities	33,370
Net income for the period before taxation	33,370
Taxation	9 -
Net income for the period after taxation	33,370
Earning per unit	-
Allocation of Net income for the period:	
Net income for the year after taxation	33,370
Income already paid on units redeemed	(107)
	33,263
Accounting income available for distribution:	
- Relating to Capital Gains	-
- Excluding Capital Gains	33,263
	33,263

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

NIFTM PLAN-II
Quarter Ended
September 30,
2023
---Rupees in '000--

Net income available for distribution:	33,370
Other comprehensive income for the period	-
Total comprehensive income for the period	33,370

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

NIFTM PLAN-II			
Quarter ended September 30th 2023			
----- (Rupees in '000) -----			
	Capital Value	Undistributed Income	Total
Net assets at the beginning of the period	689,664	2,044	691,708
Issuance of units Nil			
- Capital value	-	-	-
- Element of income	-	-	-
Total proceeds on issuance of units	-	-	-
Redemption units 516,415			
- Capital value	(5,178)	-	(5,178)
- Element of loss	(34)	(107)	(141)
Total payments on redemption of units	(5,212)	(107)	(5,319)
Total comprehensive income for the period	-	33,370	33,370
Net assets at the end of the period	684,452	35,307	719,759
Undistributed income brought forward			
- Realised		1,331	
- Unrealised		713	
		<u>2,044</u>	
Accounting income available for distribution			
- Relating to capital gain		-	
- Excluding capital gain		33,263	
		<u>33,263</u>	
Undistributed income carried forward		35,307	
Undistributed income carried forward			
- Realised		35,307	
- Unrealised		-	
		<u>35,307</u>	
			- (Rupees) -
Net assets value per unit at beginning of the period			<u>10.0265</u>
Net assets value per unit at end of the period			<u>10.5118</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

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

	NIFTM PLAN-II
	Quarter Ended September 30, 2023
CASH FLOW FROM OPERATING ACTIVITIES	
Net income for the period before taxation	33,370
Adjustments	
Unrealised (appreciation) / diminution in the value of investments 'at fair value through profit or loss' - net	54
	33,424
(Increase) / decrease in assets	
Investments	5,005
Deposits, prepayments and other receivables	36
Profit receivable	(34,791)
	(29,750)
Increase / (decrease) in liabilities	
Payable to the Management Company	(42)
Payable to the Trustee	1
Payable to Securities and Exchange Commission of Pakistan	15
Accrued expenses and other liabilities	(880)
	(906)
Net cash generated from operating activities	2,768
CASH FLOW FROM FINANCING ACTIVITIES	
Payments on redemption of units	(5,319)
Net cash (used in) financing activities	(5,319)
Net (decrease) / increase in cash and cash equivalents during the period	(2,551)
Cash and cash equivalents at the beginning of the period	5,731
Cash and cash equivalents at the end of the period	3,180

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 Mustahkam Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered 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 July 21, 2022.

The Fund is required to be registered under the Sindh Trusts Act, 2020 (the Sindh Trust Act). Accordingly, on August 29, 2022 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 by the SECP 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 the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Shariah Compliant Fixed Rate' 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 from April 14, 2023 to April 17, 2023 for NIFTMP Plan - II and from May 24, 2023 to May 30, 2023.

NBP Islamic Fixed Term Munafa Plan – II (NIFTM Plan - II) is to earn potentially higher returns by investing in Shariah Compliant Fixed Income instruments. The investment objectives and policies are explained in the Fund's offering document.

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

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International 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 part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), 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 from 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 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.

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.

		---Un-Audited---		-----Audited-----		
		NIFTM PLAN-II	NIFTM PLAN-II	NIFTM PLAN-I	Total	
		September 30, 2023		June 30,2023		
4	BALANCES WITH BANKS	Note	-----Rupees in '000-----			
	Savings accounts	4.1	3,180	5,731	2,493	8,224
			<u>3,180</u>	<u>5,731</u>	<u>2,493</u>	<u>8,224</u>

- 4.1 These savings accounts carry profit at rates ranging from 18.50% to 21.25% per annum (June 2023: 19.5% to 20.5% per annum)

	Note	---Un-Audited---		-----Audited-----	
		NIFTM PLAN-II	NIFTM PLAN-II	NIFTMP PLAN-I	Total
		September 30, 2023	September 30, 2023	June 30, 2023	June 30, 2023
5 INVESTMENTS					
Government securities - Ijarah sukuks	5.1	654,654	659,713	-	659,713
Term deposit receipts		-	-	384,000	384,000
		<u>654,654</u>	<u>659,713</u>	<u>384,000</u>	<u>1,043,713</u>

5.1 Government securities - Ijarah sukuks

Name of Security	Issue date	Maturity date	Number of certificates				Profit rate	Market value as at September 30, 2023	Investment as a percentage of	
			As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at September 30, 2023			Net Assets	Market value of total investments
GOPIS 1y FRR	Apr 17, 2023	Apr 17, 2024	6,590	-	50	6,540	21.25%	654,654	91%	100%
								<u>654,654</u>		
								<u>654,708</u>		
								<u>659,713</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 0.15% per annum of the net assets of the Fund.

8 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 0.075% of average annual net assets of this CIS.

9 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 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 unit holders as cash dividend. 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 percent

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 management intends to distribute the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed 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 results is 1.11% in NIFTMP-II (June 30, 2023: 1.2%) which includes 0.13% (June 30, 2023: 0.04%) representing Government Levy, 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

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 sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

- 11.1 The transactions with connected persons and related parties are carried out at agreed terms
- 11.2 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 11.3 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

Un-audited
NIFTM PLAN-II
Quarter Ended
September 30, 2023
---Rupees in '000---

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

NBP Fund Management Limited - Management Company	
Remuneration for the period	749
Sindh Sales Tax on Management Company's remuneration	97
Reimbursement of selling and marketing expenses	399
Reimbursement of allocated expenses	266
Central Depository Company of Pakistan Limited - Trustee	
Remuneration for the period	98
Sindh Sale Tax on remuneration of trustee	13
Employees of the Management Company	
Issue of units 304,861 units	3,211
Redemption of 508,132 units	5,328

	---Un-Audited---	-----Audited-----		
	Sep-23	Jun-2023		
	NIFTM PLAN-II	NIFTM Plan - II	NIFTM Plan - I	Total
----- (Rupees in '000) -----				
11.5 Amounts outstanding as at period end				
NBP Fund Management Limited (Management Company)				
Remuneration of the Management Company	287	84	135	219
Sindh Sales Tax on remuneration of the Management Company	37	11	18	29
Reimbursement of selling and marketing expenses payable	399	720	117	837
Reimbursement of allocated expenses payable	266	216	52	268
Payable against preliminary expense and floatation cost	173	173	173	346
Other payable	38	38	42	80
Central Depository Company of Pakistan Limited (Trustee)				
Remuneration of the Trustee	32	31	19	50
Sindh sales tax on remuneration of the Trustee	4	4	2	6
Portfolios Managed by the Management Company				
Investment held in the fund 3,527,821 units (June 30, 2023: 3,527,821 units)	37,084	35,372	-	35,372
GCL Officers Provident Fund- unit holder with more than 10% holding				
Investment held in the fund 7,791,403 Units (June 30, 2023: 7,791,403 units)	81,902	78,121	-	78,121
Master Textile Provident Fund - unit holder with more than 10% holding				
Investment held in the fund 20,777,076 units (June 30, 2023: 20,777,076 units)	218,404	208,321	-	208,321
Raghib Rashid - unit holder with more than 10% holding				
Investment held in the fund Nil units (June 30, 2023: 5,068,480 units)	-	-	50,820	50,820
Sardar Abid Ali Khan - unit holder with more than 10% holding				
Investment held in the fund Nil units (June 30, 2023: 4,554,797 units)	-	-	45,669	45,669

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

12 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.

13 GENERAL

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

13.2 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

Head Office

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