

**NBP FUNDS**  
Managing Your Savings

Aitemaad اعتماد  
اسلامک سیونر

Islamic Savings

اسلامک سیونر

**NBP Fund Management Limited**



# NBP ISLAMIC SARMAYA IZAFI 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 (Islamic)	Soneri Bank Limited (Mustaqeem)
United Bank Limited (Ameen)	Habib Metro Bank Limited (Islamic)
Bank Al Habib Limited (Islamic)	Allied Bank Limited (Islamic)
Meezan Bank Limited	Silk Bank Limited (Emaan)
Bank Islami (Pakistan) Limited	National Bank of Pakistan
Sindh Bank Limited (Saadat)	JS Bank Limited
MCB Bank Limited (Islamic)	Al Baraka Bank Pakistan Limited
Dubai Islamic Bank Limited	
Bank Alfalah Limited (Islamic)	

## **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](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 Sarmaya Izafa Fund (NISIF)** 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 & abnormal demand in the kerb market, which also put pressure on the interbank rates. However, timely administrative measures and 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 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.

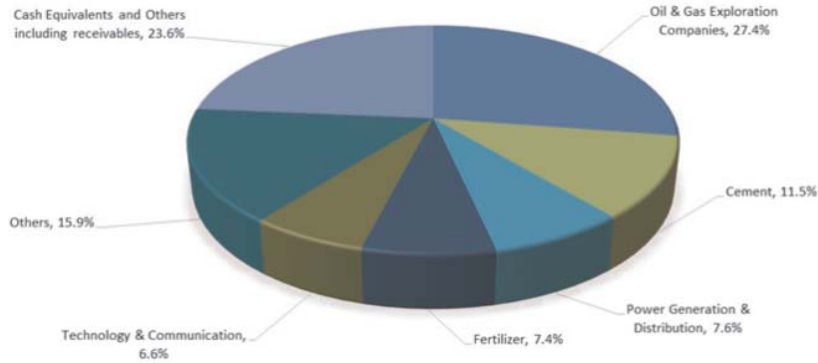
In terms of sector wise performance, Auto Parts & Accessories, Chemicals, Commercial Banks, Oil & Gas Exploration, Power Generation & Distribution, Refinery, Transport sectors outperformed the market. On the other hand, Auto Assemblers, Cable & Electrical Goods, Cements, Engineering, Fertilizers, Food & 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 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.

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 of 28-Sep-23 stood at USD 7.62 billion (down by USD 543.8 million 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.

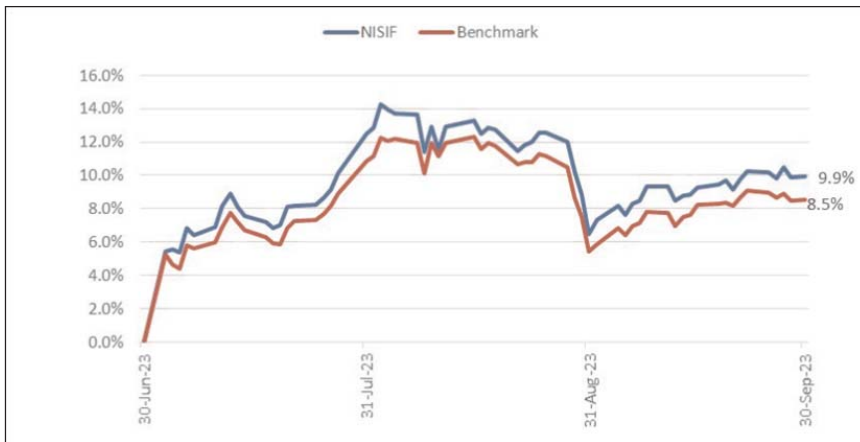
The size of NBP Islamic Sarmaya Izafa Fund has decreased from Rs. 1,284 million to Rs. 1,116 million during the period, i.e., a decrease of 13%. During the period, the unit price of NBP Islamic Sarmaya Izafa Fund has increased from Rs. 15.1426 on June 30, 2023 to Rs. 16.6427 on September 30, 2023, thus showing an increase of 9.9%. During the same period the benchmark was increased by 8.5%. Thus, the Fund has outperformed its Benchmark by 1.4% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.4241 (Ex-Div) on October 26, 2007 to Rs. 16.6427 on September 30, 2023, thus showing an increase of 386.0%. During the said period, the Benchmark increased by 239.5%, translating into outperformance of 146.5%. This performance is net of management fee and all other expenses.

NBP Islamic Sarmaya Izafa Fund has earned a total income of Rs. 141.21 million during the period. After deducting total expenses of Rs. 13.73 million, the net income is Rs. 127.48 million.

The asset allocation of the Fund as on September 30, 2023 is as follows:



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

### فنڈ کی کارکردگی

مالی سال 24 کی پہلی سہ ماہی کے دوران، ایکویٹیز 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 فورا بعد، آئی ایم ایف کے ایگزیکٹو بورڈ نے 24 مارچ تک نو ماہ کے لیے 3 بلین امریکی ڈالر کے اسٹینڈ 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۔ یہ 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 ہٹا دی گئیں، اور ادا بینکیوں کا بیک لاگ بتدریج واضح، مالی سال 24 کے 2 ماہ کے دوران کرنٹ اکاؤنٹ خسارہ 935 ملین 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 کیوں نے متاثر کن نتائج کا اعلان کیا۔ جون سہ ماہی کے دوران، KSE-100 انڈیکس کے مجموعی منافع میں سالانہ بنیادوں پر 66% کا اضافہ ہوا، جب کہ بلند سپر سٹیکس کے نفاذ کے باوجود، مالی سال 23 کے مجموعی منافع میں سالانہ بنیادوں پر تقریباً 20% کا اضافہ ہوا۔

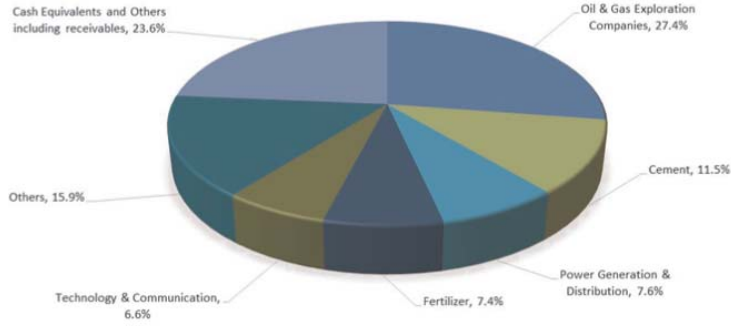
سکٹروار کارکردگی کے لحاظ سے، آٹو پارٹس اینڈ ایمبریز، کیمیکل، کمرشل بینک، آئل اینڈ گیس ایکسپلوریشن، پاور جنریشن اینڈ ڈسٹری بیوشن، ری فنانسری، ٹرانسپورٹ سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب آٹو اسمبلرز، کیمبل اینڈ الیکٹریکل گڈز، سینٹ، انجینئرنگ، فرنیچر، فوڈ اینڈ پرسنل کیئر، گلاس اینڈ سیرامکس، انشورنس، متنفرق، پیپر اینڈ بورڈ، فارماسیوٹیکل، ٹیکسٹائل، جینینا لوہی اور کمپیوٹیشن، اور ٹیکسٹائل کمپوزٹ شعبوں نے مارکیٹ سے اتر کر کارکردگی کا مظاہرہ کیا۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، انشورنس، کمپنیاں اور غیر ملکی بالتزیب 45 ملین امریکی ڈالر، 25 ملین امریکی ڈالر اور 22 ملین امریکی ڈالر کی آمد کے ساتھ اہم خریدار ہے۔ اس کے برعکس، بینک/DFIs اور میچوئل فنڈز نے بالتزیب 43 ملین امریکی ڈالر اور 38 ملین امریکی ڈالر تک اپنی خالص ہولڈنگز کو کم کر دیا۔

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 باآخراختصاصی اقدامات سے قابو میں لایا گیا۔ CPI کی طرف سے پینائٹس 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 کمی کی توقع ہے کیونکہ زیادہ مہنگائی 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 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 سٹاک کے لیے زیادہ طلب کے مقابلے میں رسد کم رہی۔ ثانوی مارکیٹ میں، کارپوریٹ سٹاک میں تجارتی سرگرمیاں سست رہیں جہاں 1.05 بلین روپے کی مجموعی تجارت ہوئی۔

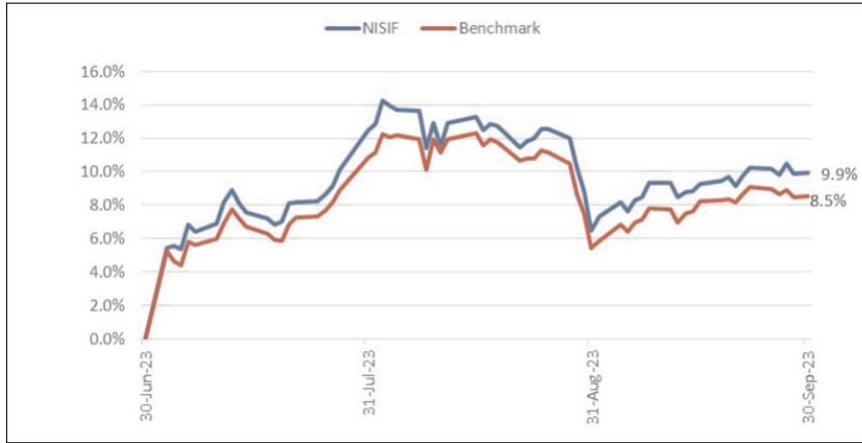
NBP اسلامک سرمایہ اضافہ فنڈ کا ساڑھے سات ماہ کی مدت میں 1,284 ملین روپے سے کم ہو کر 1,116 ملین روپے ہو گیا، یعنی 13% کی کمی ہوئی۔ اس مدت کے دوران، NBP اسلامک سرمایہ اضافہ فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 15.1426 روپے سے بڑھ کر 30 ستمبر 2023 کو 16.6427 روپے ہو گئی، لہذا 9.9% کا اضافہ دکھائی دیا۔ اسی مدت کے دوران شیخ مارک بڑھ کر 8.5% ہو گیا تھا۔ لہذا فنڈ کی کارکردگی زبردست ہے۔ مدت کے دوران اپنے شیخ مارک سے 1.4% بہتر رہی۔ اپنے قیام کے بعد 26 اکتوبر 2007 سے فنڈ کا NAV 3.4241 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2023 کو 16.6427 روپے ہو گیا، یعنی 386.0% کا اضافہ ہوا۔ اس مدت کے دوران شیخ مارک 239.5% سے بڑھا۔ لہذا فنڈ نے 146.5% کی بہتر کارکردگی دکھائی۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔



NBP اسلامک سرمایہ اضافہ فنڈ کو اس مدت کے دوران 141.21 ملین روپے کی مجموعی آمدنی ہوئی۔ 13.73 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 127.48 ملین روپے ہے۔  
30 ستمبر 2023 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



NISIF کی کارکردگی بمقابلہ 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 پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایڈجسٹمنٹ 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

	Note	Un-Audited September 30, 2023 (Rupees in '000)	Audited June 30, 2023
<b>Assets</b>			
Balances with banks		290,571	243,176
Investments	4	852,837	1,079,253
Dividend and profit receivable		21,187	5,885
Receivable against conversion of units		27	11,268
Receivable against sale of investment		7,456	11,399
Advances, Deposits, prepayments and other receivable		6,434	6,478
<b>Total assets</b>		<b>1,178,512</b>	<b>1,357,459</b>
<b>Liabilities</b>			
Payable to NBP Fund Management Limited -- Management Company		27,984	29,182
Payable to Central Depository Company of Pakistan Limited - Trustee		197	215
Payable to Securities and Exchange Commission of Pakistan		87	449
Payable against redemption of units		1,019	1,544
Accrued expenses and other liabilities		33,375	41,620
<b>Total liabilities</b>		<b>62,662</b>	<b>73,010</b>
<b>Net Assets</b>		<b>1,115,850</b>	<b>1,284,449</b>
<b>Unit Holders' Funds (as per statement attached)</b>		<b>1,115,850</b>	<b>1,284,449</b>
<b>Contingencies and Commitments</b>	5	-	-
		-----Number of units-----	
<b>Number of units in issue</b>		<b>67,047,340</b>	<b>84,823,698</b>
		-----Rupees-----	
<b>Net asset value per unit</b>		<b>16.6427</b>	<b>15.1426</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	September 30, 2022
		(Rupees in '000)	
<b>INCOME</b>			
Gain on sale of investments - net		37,518	2,961
Income from Sukuk		1,535	12,295
Profit on bank deposits		14,178	11,004
Dividend income		10,525	30,220
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		77,457	(16,557)
<b>Total Income / (loss)</b>		<b>141,213</b>	<b>39,923</b>
<b>EXPENSES</b>			
Remuneration of NBP Fund Management Limited -- Management Company		6,236	14,670
Sindh Sales Tax on remuneration of the Management Company		811	1,907
Reimbursement of operational expenses to the Management Company		624	1,467
Reimbursement of Selling and marketing expenses charged by the Management Company		4,054	9,536
Remuneration of Central Depository Company of Pakistan Limited - Trustee		563	986
Sindh Sales Tax on remuneration of the Trustee		73	128
Annual fee - Securities and Exchange Commission of Pakistan	7	296	147
Securities transaction cost		520	660
Settlement and bank charges		138	92
Annual listing fee		7	7
Auditors' remuneration		249	190
Fund rating fee		68	67
Other expenses		9	6
Shariah advisor fee		46	85
Legal and Professional charges		36	37
<b>Total Expenses</b>		<b>13,730</b>	<b>29,985</b>
<b>Net Income for the period before taxation</b>		<b>127,483</b>	<b>9,938</b>
<b>Taxation</b>	8	-	-
<b>Net Income for the period after taxation</b>		<b>127,483</b>	<b>9,938</b>
<b>Allocation of Net income for the period:</b>			
Net income for the period after taxation		127,483	9,938
Income already paid on units redeemed		(27,233)	(143)
		<b>100,250</b>	<b>9,795</b>
<b>Accounting income available for distribution:</b>			
- Relating to Capital Gains		114,975	-
- Excluding Capital Gains		(14,725)	9,795
		<b>100,250</b>	<b>9,795</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 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	127,483	9,938
Other comprehensive income	-	-
<b>Total comprehensive Income for the period</b>	<u><u>127,483</u></u>	<u><u>9,938</u></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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended September 30, 2023			Quarter Ended September 30, 2022		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
<b>Net assets at beginning of the year</b>	1,524,954	(240,505)	1,284,449	3,341,972	(239,634)	3,102,338
Issuance of 1,501,718 units (September 30,2022: 5,715,810 units)						
- Capital value	22,740	-	22,740	87,055	-	87,055
- Element of income	2,176	-	2,176	1,959	-	1,959
Total proceeds on issuance of units	24,916	-	24,916	89,014	-	89,014
Redemption of 19,278,075 units (September 30,2022: 35,536,876 units)						
- Capital value	(291,920)	-	(291,920)	(541,234)	-	(541,234)
- Element of loss	(1,845)	(27,233)	(29,078)	(3,997)	(143)	(4,140)
Total payments on redemption of units	(293,765)	(27,233)	(320,998)	(545,231)	(143)	(545,374)
Total comprehensive income for the period	-	127,483	127,483	-	9,938	9,938
<b>Net assets at end of the period</b>	<b>1,256,105</b>	<b>(140,255)</b>	<b>1,115,850</b>	<b>2,885,755</b>	<b>(229,839)</b>	<b>2,655,916</b>
Undistributed (loss) / income brought forward						
- Realised (loss) / income		(194,592)			279,514	
- Unrealised (loss)		(45,913)			(519,148)	
		<u>(240,505)</u>			<u>(239,634)</u>	
Accounting income available for distribution						
- Relating to capital gain		114,975			-	
- Excluding capital gain		(14,725)			9,795	
		<u>100,250</u>			<u>9,795</u>	
Net (loss) for the year after taxation		-			-	
<b>Undistributed (loss) carried forward</b>		<b>(140,255)</b>			<b>(229,839)</b>	
Undistributed (losses) carried forward						
- Realised (loss)		(217,712)			(213,282)	
- Unrealised income / (loss)		77,457			(16,557)	
		<u>(140,255)</u>			<u>(229,839)</u>	
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			<u>15.1426</u>			<u>15.2302</u>
Net assets value per unit at end of the period			<u>16.6427</u>			<u>15.2749</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

	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 after taxation	127,483	9,938
<b>Adjustments</b>		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(77,457)	16,557
(Gain) / loss on sale of investments	(37,518)	(2,961)
	<u>12,508</u>	<u>23,534</u>
<b>Decrease in assets</b>		
Investments	345,333	407,959
Dividend and profit receivable	(15,302)	(1,592)
Advances, Deposits, prepayments and other receivable	44	47
	<u>330,075</u>	<u>406,414</u>
<b>(Decrease) in liabilities</b>		
Payable to Management Company	(1,198)	(1,488)
Payable against purchase of investments	-	-
Payable to Trustee	(18)	(33)
Payable to Securities and Exchange Commission of Pakistan	(362)	(758)
Accrued expenses and other liabilities	(8,245)	1,022
	<u>(9,823)</u>	<u>(1,257)</u>
<b>Net cash generated from operating activities</b>	<u>332,761</u>	<u>428,691</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Receipts from issue of units	36,157	93,949
Net Payments on redemption of units	(321,523)	(546,678)
<b>Net cash (used in) financing activities</b>	<u>(285,366)</u>	<u>(452,729)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<u>47,395</u>	<u>(24,038)</u>
Cash and cash equivalents at the beginning of the period	243,176	347,525
<b>Cash and cash equivalents at the end of the period</b>	<u><u>290,571</u></u>	<u><u>323,487</u></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 Sarmaya Izafa 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 August 17, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Deed was amended through supplemental trust deed executed on February 19, 2019 for the change of name and categorization of the Fund as a shariah compliant asset allocation scheme.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by 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 Fund is an open-ended mutual fund and categorised as an islamic asset allocation scheme and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to generate income by investing in shariah compliant equity and equity related securities and income by investing in shariah compliant bank deposits, debt and money market securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company on August 22, 2022 and has assigned performance ranking of 3-star to the Fund on August 10, 2022.

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

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
(Rupees in '000)			
<b>4 INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss'</b>			
Listed equity securities	4.1	852,837	1,034,119
Sukuks	4.2	-	45,134
		<u>852,837</u>	<u>1,079,253</u>



4.1

Listed equity securities

Name of the investee company	As at July 01, 2023	Purchased during the period	Bonus / right issue	Sold 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	Investment as a percentage of paid up capital of the investee company
----- Number of shares ----- Rupees in '000 ----- % -----									
All shares have a nominal face value of Rs. 10 each except for shares of K-Electric Limited, Thal limited and Agriautos Industries Company Limited, which have a face value of Rs. 5 .									
<b>OIL AND GAS MARKETING COMPANIES</b>									
Attock Petroleum Limited	-	-	-	-	-	-	-	-	-
Pakistan State Oil Company Limited (4.1.1) & (4.1.2)	253,051	-	-	74,900	178,151	21,866	1.96	2.56	0.04
Hascol Petroleum Limited (Refer 4.1.2)	3,424	-	-	-	3,424	17	-	-	0.00
<b>OIL AND GAS EXPLORATION COMPANIES</b>									
Oil and Gas Development Company Limited	1,279,590	-	-	237,200	1,042,390	100,549	9.01	11.79	0.02
Pakistan Oilfields Limited (4.1.1)	33,230	-	-	1,600	31,630	12,328	1.10	1.45	0.01
Pakistan Petroleum Limited (4.1.1)	1,604,481	18,103	-	342,003	1,280,581	94,853	8.50	11.12	0.05
Mari Petroleum Company Limited	73,250	-	-	10,240	63,010	98,301	8.81	11.53	0.02
<b>CHEMICALS</b>									
Dynea Pakistan Limited	-	-	-	-	-	-	-	-	-
ICI Pakistan Limited	4,766	-	-	4,766	-	-	-	-	-
Engro Polymer & Chemicals Limited	46,326	-	-	46,326	-	-	-	-	-
<b>PAPERS AND BOARD</b>									
Roshan Packages Limited	-	-	-	-	-	-	-	-	-
<b>FOOD AND PERSONAL CARE PRODUCTS</b>									
Al Shaheer Corporation Limited	11,788	-	-	-	11,788	121	0.01	0.01	0.01
<b>ENGINEERING</b>									
Mughal Iron And Steel Industries Limited	725,739	-	-	129,800	595,939	29,714	2.66	3.48	0.24
<b>CEMENT</b>									
Lucky Cement Limited	100,420	-	-	4,500	95,920	54,131	4.85	6.35	0.03
Maple Leaf Cement Factory Limited	-	-	-	-	-	-	-	-	-
Attock Cement Pakistan Limited	-	-	-	-	-	-	-	-	-
Kohat Cement Company Limited	669,436	-	-	257,013	412,423	69,798	6.26	8.18	0.21
Fauji Cement Company Limited	-	-	-	-	-	-	-	-	-
FECTO Cement Limited	230,700	-	-	-	230,700	4,499	0.40	0.53	0.46
<b>TRANSPORT</b>									
Pakistan National Shipping Corporation	133,300	-	-	28,500	104,800	16,676	1.49	1.96	0.00
<b>TEXTILE COMPOSITE</b>									
Nishat Mills Limited	170,400	-	-	92,500	77,900	4,676	0.42	0.55	0.02
Kohinoor Textile Mills Limited	662,380	-	-	465,000	197,380	11,464	1.03	1.34	0.07
Interloop Limited	-	-	-	-	-	-	-	-	-
Synthetic Products Limited	590	-	-	-	590	7	-	-	0.00
<b>FERTILIZER</b>									
Engro Corporation Limited (4.1.1)	412,581	-	-	88,700	323,881	77,777	6.97	9.12	0.06
Engro Fertilizers Limited	68,500	-	-	8,000	60,500	4,593	0.41	0.54	0.00
Fauji Fertilizer Bin Qasim Limited	-	-	-	-	-	-	-	-	-
<b>POWER GENERATION AND DISTRIBUTION</b>									
The Hub Power Company Limited (4.1.1)	1,390,890	-	-	432,219	958,671	84,679	7.59	9.93	0.07
Lalpir Power Limited	233,500	-	-	215,500	18,000	279	0.03	0.03	0.00
<b>COMMERCIAL BANKS</b>									
Meezan Bank Limited (Refer 5.1.2)	776,471	-	-	189,400	587,078	67,285	6.03	7.89	0.05
<b>AUTOMOBILE ASSEMBLER</b>									
Millat Tractors Limited	-	-	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	-	-	-	-	-	-	-	-	-
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>									
Baluchistan Wheels Limited	151,500	-	-	141,500	10,000	1,568	0.14	0.18	0.07
Thal Limited	1	-	-	-	1	-	-	-	0.00
Panther Tyres Limited	46,600	-	-	46,600	-	-	-	-	-
Agriautos Industries Co. Ltd.	1,750	-	-	-	1,750	116	0.01	0.01	0.01
<b>Balance carried forward</b>					<b>6,286,507</b>	<b>755,297</b>	<b>67.68</b>	<b>88.56</b>	

Name of the investee company	As at July 01, 2023	Purchased during the period	Bonus / right issue	Sold 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	Investment as a percentage of paid up capital of the investee company
	----- Number of shares -----			----- Rupees in '000 -----		----- % -----			
<b>Balance brought forward</b>					<b>6,286,507</b>	<b>755,297</b>	<b>67.68</b>	<b>88.56</b>	
<b>PHARMACEUTICALS</b>									
Haleon Pakistan Limited (Formerly known as Glaxo S	1,000	-	-	1,000	-	-	-	-	-
IBL HealthCare Limited	35,700	-	-	34,000	1,700	55	0.00	0.01	0.00
Abbott Laboratories Pakistan Limited	-	-	-	-	-	-	-	-	-
The Searle Company Limited	118,886	-	15,000	97,550	36,336	1,822	0.16	0.21	0.01
AGP Limited	41,506	-	-	6,200	35,306	1,739	0.16	0.20	0.01
Citi Pharma Limited	120,816	-	-	26,500	94,316	2,075	0.19	0.24	0.04
<b>TECHNOLOGY AND COMMUNICATION</b>									
Avanceon Limited	20,588	-	-	-	20,588	967	0.09	0.11	0.01
TPL Trakker Limited	-	-	-	-	-	-	-	-	-
Systems Limited	207,741	700	-	25,300	183,141	72,127	6.46	8.46	0.15
<b>CABLE AND ELECTRICAL GOODS</b>									
Pak Elektron Limited	178,940	-	-	77,000	101,940	1,013	0.09	0.12	0.02
<b>LEATHER &amp; TANNERIES</b>									
Service GlobalFootwear Limited	-	-	-	-	-	-	-	-	-
<b>GLASS AND CERAMICS</b>									
Tariq Glass Industries Limited	96,626	-	-	23,300	73,326	5,758	0.52	0.68	0.10
Shabbir Tiles and Ceramics Limited	2,135,500	-	-	661,500	1,474,000	11,984	1.07	1.41	1.23
Ghani Value Glass Limited	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>					<b>8,307,160</b>	<b>852,837</b>	<b>76.43</b>	<b>100.00</b>	
<b>Carrying value before mark to market as at September 30, 2023</b>						<u><b>775,380</b></u>			

**4.1.1** Investments include shares with market value of Rs. 90.146 million (June 30, 2023: Rs. 87.659 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

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

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

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 as a result of which the HCS issued an order dated July 15, 2019 whereby the previous stay has been restored. The matter is still pending adjudication and no provision has been recorded or contingent liability has been disclosed in the financial statements as the management is confident that the case will be decided in favor of the CISs.

Further, Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 therefore, bonus shares, subsequent to this amendment, issued to the Fund were not withheld by the investee companies.

## 4.2 Sukuks

Name of the investee company	Number of certificates				Market value as at September 30, 2023	Market value as at June 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	Issue size
The HUB Power Company Limited	1,800	-	1,800	-	-	45,134	-	-	-
					Rupees in '000		----- % -----		
Market value as at September 30, 2023					-----				
Carrying value as at September 30, 2023					-----				

## 4.4 Non-performing sukuk classified as fair value through profit and loss

Name of the investee company	Note	Number of certificates				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	Issue size
Rupees in '000 ----- % -----									
All sukuks have a face value of Rs. 5,000 each.									
Eden Housing Limited	4.4.3	5,000	-	-	5,000	-	-	-	-
Carrying value as at September 30, 2023					-----				
Accumulated impairment					-----				

**4.4.1** This represents investment in privately placed sukuks with a term of five years. On May 6, 2011, the investee company defaulted its principal and profit payment and therefore it was classified as non performing asset by MUFAP. The amount of provision as per Circular no. 1 of 2009 and Circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

**4.4.2** The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

## 5 CONTINGENCIES AND COMMITMENTS

There were no commitments as on 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 1.30% per annum of the net assets of the Fund.

## 7 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 0.095% of average annual net assets of this CIS.

## 8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and Capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Management intends to distribute such accounting income for the year ending June 30, 2024 to its unit holders. Accordingly, no provision in respect of taxation has been made in the current year. Moreover supertax introduced in the Finance Act, 2015 is not applicable on funds as per section 4B of the Income Tax Ordinance, 2001

The Fund is also exempt from the provision 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 4.42% (September 30, 2022: 4.09%) which includes 0.38% (September 30, 2022: 0.29%) representing Government Levies and the SECP Fee. The prescribed limit for the ratio is 4.50% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Complaint Asset Allocation" scheme.

## 10 DETAILS OF NON-COMPLIANT INVESTMENTS

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The Securities and Exchange Commission of Pakistan vide its circular no. 16 dated July 7, 2010, prescribed specific disclosures for the schemes holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirements of their constitutive documents.

The following are the details of non-compliant investments:

Names of non-compliant investment	Non-compliance of clause	Type of Investment	Value of investment before provision	Provision held	Value of investment after provision	% of net assets
Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular no. 7 of 2009	Sukuks	4,922	(4,922)	-	-

10.1 At the time of purchase, these sukuks were in compliance with the aforementioned circular. However, they were subsequently defaulted or were downgraded to non investment grade.

## 11 TRANSACTIONS AND BALANCES 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 sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

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

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.

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

		Un-Audited	
		Quarter Ended September 30, 2023	Quarter Ended September 30, 2022
		(Rupees in '000)	
<b>11.1</b>	<b>Details of the transactions with connected persons are as follows:</b>		
	<b>NBP Fund Management Limited - Management Company</b>		
	Management fee expense for the period	6,236	14,670
	Sindh Sales Tax for the period on Management Fee	811	1,907
	Sales and transfer load for the period	144	1,001
	Sales tax on Sales and transfer load for the period	19	130
	Reimbursement of operational expenses to the Management Company	624	1,467
	Reimbursement of Selling and marketing expenses charged by the Management Company	4,054	9,536
	ADC charges including sales tax during the period	302	8
	Units Redeemed / Transferred Out Nil units (2022: 5,243,844 units)	-	77,706
	<b>Bank Islami Pakistan Limited (Common directorship with the Management Company)*</b>		
	Profit on bank deposits	-	2,812
	<b>Taurus Securities (Private) Limited</b>		
	Brokerage	61	60
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee fee for the period	563	986
	Sindh Sales Tax on Trustee Fee	73	128
	CDS charges	46	92
	<b>Employees of the Management Company</b>		
	Units Issued / Trasferred In 303,595 ( 2022: 303,764 units)	4,969	4,711
	Units Redeemed / Transferred Out 305,197 units ( 2022: 206,285 units)	5,092	3,157
	<b>K-Electric</b>		
	Purchase of Short term Sukuk		50,000
	Income on sukuk certificate		784
	<b>Portfolio managed by the management company</b>		
	Units Issued / Trasferred In Nil ( 2022: 208,894 units)	-	3,116
	Units Issued / Trasferred Out 1,605,938 ( 2022: Nil units)	25,879	-
		<b>Un-Audited As at September 30, 2023</b>	<b>Audited As at June 30, 2023</b>
		(Rupees in '000)	
<b>11.2</b>	<b>Amounts outstanding as at period end</b>		
	<b>NBP Fund Management Limited - Management Company</b>		
	Remuneration of the Management Company	1,838	2,159
	Sindh sales tax on remuneration of the Management Company	239	281
	Reimbursement of operational expenses	630	786
	Sales load and transfer load payable to Management Company	2,908	2,798
	Sindh sales tax and Federal Excise Duty on sales and transfer load	17,927	17,913
	ADC charges payable including sindh sales tax payable to Management Company	388	135
	Reimbursement of selling and marketing expenses	4,054	5,110
	Investment held Units (2023: 996,978 Units )	-	9,558

	<b>Un-Audited As at September 30, 2023 (Rupees in '000)</b>	<b>Audited As at June 30, 2023</b>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	174	190
Sindh Sales Tax on remuneration of the Trustee	23	25
CDS charges	131	85
Security deposit	100	100
<b>National Bank of Pakistan (Parent of the Management Company)</b>		
Bank balances	2,330	1,947
Markup Accrued	4	-
<b>Dr Amjad Waheed - CEO</b>		
Investment held Nil Units ( 2023: 474 Units )	72,787	5
<b>Employees of the Management Company</b>		
Investment held in the Fund 97,519 units (30 June 2023: 700,884 units)	1,623	6,719
<b>Portfolio managed by the management company</b>		
Investment held in the Fund Nil units (30 June 2023: 4,084,279 units)	-	39,156

## 12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized 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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