



Islamic Savings

NBP Fund Management Limited



NBP RIBA FREE SAVINGS FUND

HALF YEARLY REPORT
DECEMBER 31, 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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

Al Baraka Islamic Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited
United 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.nbpfonds.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 reviewed financial statements of **NBP Riba Free Savings Fund (NRFSF)** for the half year ended December 31, 2023.

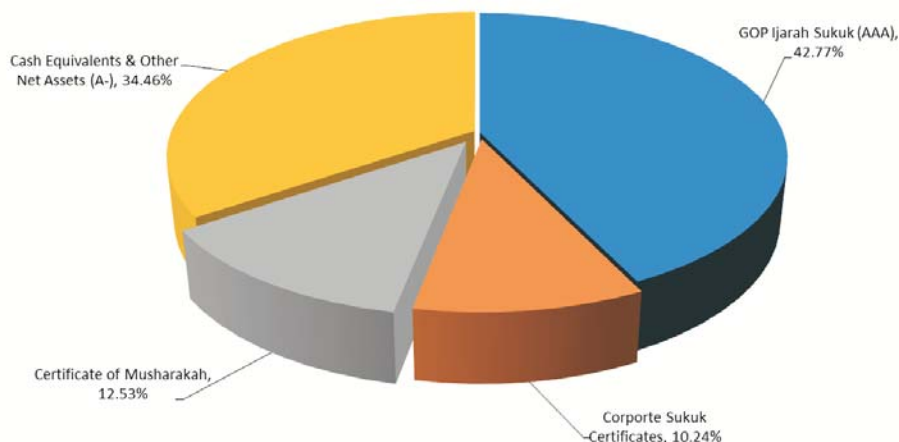
Fund's Performance

During the first half of fiscal year 2024, the State Bank of Pakistan (SBP) held four Monetary Policy Committee meetings, maintaining the Policy Rate at 22%. Various external and internal factors were considered, with the decision primarily attributed to the upside risks in the inflation outlook. The period was characterized by economic slowdown and uncertainty stemming from increased political noise ahead of the upcoming general elections. Scheduled debt repayments and weak investment inflows impeded the increase in foreign exchange (FX) reserves. Sovereign yields exhibited volatility initially owing to the prevailing uncertainty. However, the pressure on sovereign yields started to ease in the later part of the period due to the growing expectation of an interest rate cut in 2H FY24, with market participants gradually elongating their maturities. The measures taken to address the ailing economic activity hinge on continued targeted fiscal consolidation and the timely realization of planned external inflows. As of the end of December, the net liquid foreign exchange reserves held with the SBP stood at around USD 8.23 billion. The MoF conducted its first auction of 1-year fixed rate Sukuk (Government Debt Securities - GDS) through PSX. The total participation was Rs. 396 billion between the range of 18.5% and 33.4249%. The accepted amount was Rs. 30,190 million and cutoff yield was 19.5199%. The Shariah Compliant short-term sukuks witnessed a sizable issuance from the corporates to meet their financing requirements. However, issuance of long term corporate Sukuks remained subdued and market activity also remained slow as cumulative traded value was Rs. 2.6 billion (15% down as compared to the same period last year).

NRFSF is an Islamic Income Scheme with no direct or indirect exposure to the stock market. The stability rating of the Fund by PACRA is 'A+ (f)', which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile.

The size of NBP Riba Free Savings Fund has decreased from Rs. 1,591 million to Rs. 1,465 million during the period, a decline of 8%. During the period, the unit price of the Fund has increased from Rs. 10.3201 on June 30, 2023 to Rs. 11.3602 on December 31, 2023 thus showing a return of 20.0% p.a. as compared to the benchmark return of 9.1% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 159.425 million during the period. After deducting total expenses of Rs. 19.500 million, the net income is Rs. 139.925 million. The asset allocation of NRFSF as on December 31, 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: **February 29, 2024**

Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے لئے NBP ریفاری سیونگز فنڈ (NRFSF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

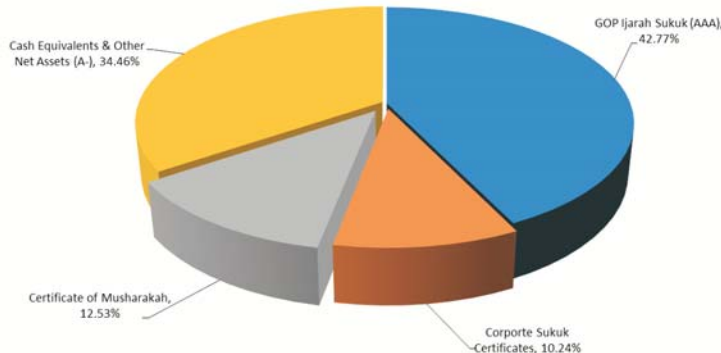
مالی سال 24 کی پہلی ششماہی کے دوران، بینک دولت پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد کئے، پالیسی ریٹ 22% پر برقرار رکھا۔ مختلف بیرونی اور داخلی عوامل پر غور کرتے ہوئے، بنیادی طور پر یہ فیصلہ افراط زر کے نقطہ نظر میں زیادہ خطرات کی وجہ سے کیا گیا۔ اس عرصہ میں معاشی سست روی اور عام انتخابات سے قبل سیاسی شور سے پیدا ہونے والی غیر یقینی صورتحال کی نشاندہی کی گئی تھی۔ شیڈول قرضوں کی ادائیگی اور کٹر سرمایہ کاری نے زرمبادلہ کے ذخائر میں اضافہ کو روک دیا۔ موجودہ غیر یقینی صورتحال کی وجہ سے ابتدائی طور پر حکومتی منافع میں اتار چڑھاؤ آیا۔ تاہم، مالی سال 24 کی دوسری ششماہی میں شرح سود میں کمی کی توقع کی وجہ سے اس مدت کے آخر میں حکومتی منافع پر باؤ کم ہونا شروع ہوا، جس میں مارکیٹ کے شرکاء اپنی پیچورٹیز میں بتدریج اضافہ کر رہے تھے۔

کمزور معاشی سرگرمیوں سے نمٹنے کے لئے اٹھائے گئے اقدامات کا دار و مدار مسلسل ہدف شدہ مالی استحکام اور منصوبہ بند بیرونی آمد کی بروقت تکمیل پر ہے۔ دسمبر کے اختتام تک اسٹیٹ بینک پاکستان کے ہاں موجود خالص لیکویڈ زرمبادلہ کے ذخائر تقریباً 8.23 ارب ڈالر تھے۔ MoF نے PSX کے ذریعے ایک سالہ مقررہ شرح سکوک (گورنمنٹ ڈیٹ سیکورٹیز GDS) کی پہلی نیلامی کی۔ مجموعی شراکت داری 18.5% سے 33.4249% کے درمیان 396 ملین روپے رہی۔ قبول شدہ رقم 30,190 ملین روپے اور کٹ آف منافع 19.5199 فیصد رہا۔ شریعت کے مطابق قلیل مدتی سکوکس میں کارپوریٹس کی جانب سے ان کی مالی ضروریات کو پورا کرنے کے لئے بڑے پیمانے پر اجراء دیکھنے میں آیا۔ تاہم، طویل مدتی کارپوریٹ سکوکس کا اجراء کم رہا اور مارکیٹ کی سرگرمی بھی کم رہی کیونکہ مجموعی تجارتی قدر 2.6 ملین روپے (گزشتہ سال کی اسی مدت کے مقابلے 15 فیصد کم) رہی ہے۔

NRFSF ایک اسلامک انکم اسکیم ہے جس کا اسٹاک مارکیٹ سے کوئی بالواسطہ یا بلاواسطہ ایکسپوزیشن نہیں۔ فنڈ کو PACRA کی طرف سے A+(f) کی اسٹیٹیلٹی ریٹنگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تو اتار سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔

NBP ریفاری سیونگز فنڈ کا سائز اس مدت کے دوران 1,591 ملین روپے سے کم ہو کر 1,465 ملین روپے ہو گیا ہے یعنی 8% کی کمی ہوئی ہے۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 10.3201 روپے سے بڑھ کر 31 دسمبر 2023 کو 11.3602 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے پانچ مارک منافع 9.1% کے مقابلے میں 20.0% منافع درج کرایا۔ فنڈ کی کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 159.425 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 19.500 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 139.925 ملین روپے رہی۔ 31 دسمبر 2023 کو NRFSF کی ایسٹ ایلوکیشن حسب ذیل ہے۔





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ 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 ٹرسٹی 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 منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 فروری 2024ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Riba Free Savings Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 28, 2024

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Riba Free Savings Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarter ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 29, 2024

UDIN: RR202310061bIKmdZWgC

NBP RIBA FREE SAVINGS FUND



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2023

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
Note		(Rupees in '000)	
ASSETS			
	Bank balances	4 480,746	890,564
	Investments	5 960,483	738,376
	Profit receivable	36,943	27,105
	Receivable against issuance of units	6,654	16
	Deposits and prepayments	215	515
	Total assets	1,485,041	1,656,576
LIABILITIES			
	Payable to NBP Fund Management Limited - the Management Company	6 16,352	17,306
	Payable to Central Depository Company of Pakistan Limited - the Trustee	7 106	110
	Payable to the Securities and Exchange Commission of Pakistan	8 93	416
	Payable against redemption of units	598	9,927
	Accrued expenses and other liabilities	9 2,509	37,731
	Total liabilities	19,658	65,490
	NET ASSETS	1,465,383	1,591,086
	UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	1,465,383	1,591,086
	CONTINGENCIES AND COMMITMENTS	10	
		(Number of units)	
	NUMBER OF UNITS IN ISSUE	128,992,172	154,173,663
		(Rupees)	
	NET ASSET VALUE PER UNIT	11.3602	10.3201

The annexed notes 1 to 18 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

		Half year ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Note		(Rupees in '000)			
INCOME					
Profit on bank balances		59,676	122,624	23,887	52,484
Income on corporate sukuk certificates		21,001	37,975	6,206	20,462
Income on term deposit receipts		6,856	-	-	-
Income on Islamic commercial papers		-	184	-	-
Income on government securities		48,033	17,286	36,963	17,286
Income on certificates of musharakah		19,108	6,212	9,804	6,083
Gain / (loss) on sale of investments - net		2,155	(495)	2,155	-
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net	5.5	2,596	(2,503)	1,462	(1,216)
		4,751	(2,998)	3,617	(1,216)
Total income		159,425	181,283	80,477	95,099
EXPENSES					
Remuneration of NBP Fund Management Limited - the Management Company	6.1	8,652	10,060	4,253	4,770
Sindh sales tax on remuneration of the Management Company	6.2	1,125	1,308	553	620
Reimbursement of allocated expenses	6.3	1,102	11,877	545	5,496
Reimbursement of selling and marketing expenses	6.4	5,855	1,563	2,690	723
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	7.1	551	938	272	434
Sindh sales tax on remuneration of the Trustee	7.2	72	122	36	57
Annual fee to the Securities and Exchange Commission of Pakistan	8.1	551	250	272	116
Settlement and bank charges		268	305	133	132
Auditors' remuneration		806	564	612	298
Annual rating fee		315	287	157	144
Legal and professional charges		58	68	28	30
Annual listing fee		15	14	8	7
Printing charges		29	29	14	11
Shariah advisor fee		101	192	50	100
Total expenses		19,500	27,577	9,623	12,938
Net income for the period before taxation		139,925	153,706	70,854	82,161
Taxation	12	-	-	-	-
Net income for the period after taxation		139,925	153,706	70,854	82,161
Earnings per unit	13				
Allocation of net income for the period:					
Net income for the period after taxation		139,925	153,706		
Income already paid on units redeemed		(15,574)	(50,883)		
		124,351	102,823		
Accounting income available for distribution					
- Relating to capital gains		4,751	-		
- Excluding capital gains		119,600	102,823		
		124,351	102,823		

The annexed notes 1 to 18 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees in '000)			
Net income for the period after taxation	139,925	153,706	70,854	82,161
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	139,925	153,706	70,854	82,161

The annexed notes 1 to 18 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 HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at the beginning of the period (audited)	1,529,602	61,484	1,591,086	2,739,798	53,456	2,793,254
Issue of 30,471,903 units (2022: 28,281,924 units)						
- Capital value (at net asset value per unit at the beginning of the period)	314,473	-	314,473	290,362	-	290,362
- Element of income	24,708	-	24,708	9,519	-	9,519
Total proceeds on issuance of units	339,181	-	339,181	299,881	-	299,881
Redemption of 55,653,394 units (2022: 134,608,543 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(574,349)	-	(574,349)	(1,381,986)	-	(1,381,986)
- Element of loss	(14,886)	(15,574)	(30,460)	(3,180)	(50,883)	(54,063)
Total payments on redemption of units	(589,235)	(15,574)	(604,809)	(1,385,166)	(50,883)	(1,436,049)
Total comprehensive income for the period	-	139,925	139,925	-	153,706	153,706
Net assets at the end of the period (un-audited)	1,279,548	185,835	1,465,383	1,654,513	156,279	1,810,792
Undistributed income brought forward						
- Realised income		64,355			53,231	
- Unrealised (loss) / income		(2,871)			225	
		61,484			53,456	
Accounting income available for distribution						
- Relating to capital gains		4,751			-	
- Excluding capital gains		119,600			102,823	
		124,351			102,823	
Distribution during the period		-			-	
Undistributed income carried forward		185,835			156,279	
Undistributed income carried forward						
- Realised income		183,239			158,782	
- Unrealised income / (loss)		2,596			(2,503)	
		185,835			156,279	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		10.3201			10.2667	
Net asset value per unit at the end of the period		11.3602			10.9252	

The annexed notes 1 to 18 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 HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended	
	December 31, 2023	December 31, 2022
Note	---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	139,925	153,706
Adjustments:		
Income on corporate sukuk certificates	(21,001)	(37,975)
Income on term deposit receipts	(6,856)	-
Income on Islamic commercial papers	-	(184)
Income on government securities	(48,033)	(17,286)
Income on certificates of musharakah	(19,108)	(6,212)
Profit on bank balances	(59,676)	(122,624)
(Gain) / loss on sale of investments - net	(2,155)	495
Unrealised (appreciation) / diminution on re-measurement of investments at fair value through profit or loss - net	5.5 (2,596)	2,503
	(159,425)	(181,283)
(Increase) / decrease in assets		
Investments - net	(348,486)	201,806
Deposits	300	273
	(348,186)	202,079
Decrease in liabilities		
Payable to NBP Fund Management Limited - the Management Company	(954)	(1,987)
Payable to Central Depository Company of Pakistan Limited - the Trustee	(4)	(59)
Payable to the Securities and Exchange Commission of Pakistan	(323)	(453)
Accrued expenses and other liabilities	(35,222)	(31,863)
	(36,503)	(34,362)
Income received on bank balances, term deposit receipts, corporate sukuk certificates, Islamic commercial papers, government securities and certificates of musharakah	144,836	186,872
Net cash (used in) / generated from operating activities	(259,353)	327,012
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	332,543	300,347
Net payment against redemption of units	(614,138)	(1,471,903)
Net cash used in financing activities	(281,595)	(1,171,556)
Net decrease in cash and cash equivalents during the period	(540,948)	(844,544)
Cash and cash equivalents at the beginning of the period	1,205,344	1,954,436
Cash and cash equivalents at the end of the period	4.2 664,396	1,109,892

The annexed notes 1 to 18 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 INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Riba Free Savings 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 June 18, 2010, in accordance with the Non-Banking and Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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 was required to be registered under the Sindh Trust Act. Accordingly, on October 18, 2021 the above-mentioned Trust Deed was registered under the Sindh Trust Act.

- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 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 at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from August 21, 2010 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The investment objective of the Fund is to provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / debt securities.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (June 30, 2023: AM1) on June 22, 2023. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at A+(f) (June 30, 2023: A+(f) on April 14, 2023) dated October 13, 2023.
- 1.6 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
- 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 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.

2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of the 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.

2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the period year ended December 31, 2023.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN

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 these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the 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 these 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 in the audited annual 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 audited annual financial statements as at and for the year ended June 30, 2023.

3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2024. However, these will not have any significant effects on the Fund's financial statements and are, therefore, not detailed in these condensed interim financial statements.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
4 BANK BALANCES			
Balances with banks in:			
Current accounts		6,298	16,947
Savings accounts	4.1	474,448	873,617
		<u>480,746</u>	<u>890,564</u>

NBP RIBA FREE SAVINGS FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

- 4.1 These include balances of Rs. 0.696 million (June 30, 2023: Rs 0.882 million) maintained with National Bank of Pakistan (related party) that carry profit at the rates of 18.40% (June 30, 2023: 18.40%) per annum respectively. Other savings accounts of the Fund carry profit at rates ranging from 11.01% to 21.00% per annum (June 30, 2023: 10.00% to 20.50% per annum).

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
4.2	Cash and cash equivalents:	Note	----- (Rupees in '000) -----
	Bank balances	4	480,746
	Term deposit receipts	5.2	-
	Certificates of musharakah	5.4	183,650
			<u>664,396</u>
			<u>1,205,344</u>

5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Government securities - GOP Ijara Sukuks	5.1	626,788	223,556
Term deposit receipts	5.2	-	150,000
Corporate sukuk certificates	5.3	150,045	200,040
Certificates of musharakah	5.4	183,650	164,780
		<u>960,483</u>	<u>738,376</u>

5.1 Government securities - GOP Ijara Sukuks

Name of the security	Profit payments	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution)	Market value as a percentage of	
											net assets of the Fund	total market value of investments of the Fund
				Number of certificates						Rupees in '000		
GoP Ijarah sukuk GIS - VRR - XIX (Face value of Rs. 100,000 per certificate)	Semi-annually	May 29, 2025	Weighted average 6 months T-Bills	45,000	-	-	45,000	223,557	224,213	656	15.30%	23.34%
GoP Ijarah sukuk GIS - VRR - XXX (Face value of Rs. 100,000 per certificate)	Semi-annually	Apr 17, 2024	Weighted average 6 months T-Bills	-	20,000	20,000	-	-	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XXXVII (Face value of Rs. 100,000 per certificate)	Semi-annually	Aug 7, 2024	Weighted average 6 months T-Bills	-	40,000	20,000	20,000	100,650	101,370	720	6.92%	10.55%
GoP Ijarah sukuk GIS - VRR - XXXIX (Face value of Rs. 100,000 per certificate)	Semi-annually	Oct 9, 2024	Weighted average 6 months T-Bills	-	20,000	-	20,000	100,000	101,030	1,030	6.89%	10.52%
GoP Ijarah sukuk GIS - VRR - XL (Face value of Rs. 100,000 per certificate)	Semi-annually	Dec 4, 2024	Weighted average 6 months T-Bills	-	5,000	-	5,000	25,000	25,125	125	1.71%	2.62%
GoP Ijarah sukuk GIS - VRR - XLI (Face value of Rs. 100,000 per certificate)	Semi-annually	Dec 4, 2026	Weighted average 6 months T-Bills	-	15,000	-	15,000	75,000	75,090	90	5.12%	7.82%
GoP Ijarah sukuk GIS - VRR - XLII (Face value of Rs. 100,000 per certificate)	Semi-annually	Dec 4, 2028	Weighted average 6 months T-Bills	-	20,000	-	20,000	100,000	99,960	(40)	6.82%	10.41%
Total as at December 31, 2023 (unaudited)								624,207	626,788	2,581	42.76%	65.26%
Total as at June 30, 2023 (audited)								225,067	223,556	(1,511)		

NBP RIBA FREE SAVINGS FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

5.2 Term deposit receipts

Name of investee company	Rating	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Matured during the period	As at December 31, 2023	Carrying Value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution)	Market value as a percentage of		
											total investments	net assets of the Fund	
Number of certificates								Rupees in '000		%			
COMMERCIAL BANKS													
Faysal Bank Limited	AA, PACRA	July 17, 2023	20.40%	150,000	-	150,000	-	-	-	-	-	-	
Faysal Bank Limited	AA, PACRA	August 17, 2023	21.30%	-	150,000	150,000	-	-	-	-	-	-	
Faysal Bank Limited	AA, PACRA	September 18, 2023	21.30%	-	150,000	150,000	-	-	-	-	-	-	
Total as at December 31, 2023 (unaudited)								-	-	-	-	-	
Total as at June 30, 2023 (audited)								150,000	150,000	-			

5.3 Corporate sukuk certificates

Name of security	Rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Disposed off during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution)	Market value as a percentage of	
					Number of certificates	(Rupees in '000)	%	net assets of the Fund	total investments				
POWER GENERATION AND DISTRIBUTION													
Pakistan Energy Sukuk-II (Face value of Rs. 5,000 per certificate)	Unrated	Semi-annually / At maturity	May 20, 2030	6 months KIBOR minus base rate of 0.10%	40,000	-	10,000	30,000	150,030	150,045	15	10.24%	15.62%
Total as at December 31, 2023 (unaudited)									150,030	150,045	15	10.24%	15.62%
Total as at June 30, 2023 (audited)									201,400	200,040	(1,360)		

5.4 Certificates of musharakah

Name of investee company	Rating	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Matured during the period	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution)	Market value as a percentage of		
										net assets of the Fund	total market value of investments of the Fund	
			%	Number of certificates			(Rupees in '000)			%		
MODARABA												
First Habib Modaraba	AA+, PACRA	September 20, 2023	22.25%	164,780	-	164,780	-	-	-	-	-	
First Habib Modaraba	AA+, PACRA	December 20, 2023	22.25%	-	173,998	173,998	-	-	-	-	-	
First Habib Modaraba	AA+, PACRA	March 20, 2024	21.85%	-	183,650	-	183,650	183,650	-	12.53%	19.12%	
Total as at December 31, 2023 (unaudited)							183,650	183,650	-	12.53%	19.12%	
Total as at June 30, 2023 (audited)							164,780	164,780	-			

5.5 Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net

(Un-audited) (Audited)
December 31, June 30,
2023 2023
----- (Rupees in '000) -----

Market value of investments	5.1, 5.2, 5.3 & 5.4	960,483	738,376
Less: carrying value of investments	5.1, 5.2, 5.3 & 5.4	(957,887)	(741,247)
		<u>2,596</u>	<u>(2,871)</u>

NBP RIBA FREE SAVINGS FUND



		(Un-audited) December 31, 2023	(Audited) June 30, 2023
6	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY	Note	----- (Rupees in '000) -----
	Remuneration payable to the Management Company	6.1	1,375
	Sindh sales tax payable on remuneration of the Management Company	6.2	179
	Reimbursement of allocated expenses payable	6.3	546
	Reimbursement of selling and marketing expenses payable	6.4	2,690
	Federal excise duty on remuneration of the Management Company	6.5	10,657
	Federal excise duty on sales load	6.5	334
	Sales and transfer load payable		183
	Sindh sales tax on sales load payable		24
	ADC charges payable including Sindh sales tax		364
			<u>16,352</u>
			<u>17,306</u>

6.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at 6% of net income of the Fund subject to floor and capping of 0.5% and 1.25% per annum of average annual net assets respectively (June 30, 2023: 6% of net income of the Fund subject to floor and capping of 0.5% and 1.25% per annum of average annual net assets) during the period ended December 31, 2023. The remuneration is payable to the Management Company in arrears.

6.2 During the period, an amount of Rs. 1.125 million (December 31, 2022: Rs. 1.308 million) was charged on account of sales tax on management fee levied through the Sindh Sales tax on Services Act, 2011 at the rate of 13% (June 30, 2023:13%).

6.3 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

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

Rate applicable from July 1, 2023 to December 31, 2023	Rate applicable from July 1, 2022 to March 15, 2023	Rate applicable from March 16, 2023 to June 30, 2023
0.15% of average annual net assets	0.125% of average annual net assets	0.15% of average annual net assets

6.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008.

Rate applicable from July 1, 2023 to July 31, 2023	Rate applicable from August 1, 2023 to November 7, 2023	Rate applicable from November 8, 2023 to December 31, 2023	Rate applicable from July 1, 2022 to June 30, 2023
0.95% of average annual net assets	0.80% of average annual net assets	0.70% of average annual net assets	0.95% of average annual net assets

6.5 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of

the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan (SCP) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 10.657 million (June 30, 2023: Rs 10.657 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2023 would have been higher by Re 0.0853 (June 30, 2023: Re 0.0713) per unit.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	----- (Rupees in '000) -----
	Trustee fee payable	7.1	94
	Sindh sales tax payable on Trustee fee	7.2	12
			<u>106</u>

7.1 The Trustee is entitled to monthly remuneration of 0.075% (June 30, 2023: 0.075%) per annum of net assets for services rendered to the Fund under the provisions of the Trust Deed.

7.2 During the year, an amount of Rs. 0.072 million (December 31, 2022: Rs. 0.122 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh sales tax on Services Act, 2011 at the rate of 13% (June 30, 2023: 13%).

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
8	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- (Rupees in '000) -----
	Annual fee payable	8.1	93
			<u>416</u>

8.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to "Income Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period.



Further, the Fund is required to pay the SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay the SECP fee within three months of the close of accounting year.

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
9 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	666	723
Bank charges payable	96	104
Settlement charges payable	76	40
Withholding tax payable	29	33,908
Capital gain tax payable	701	2,025
Legal and professional charges payable	81	182
Shariah advisor fee payable	437	336
Printing charges payable	80	70
Other payables	343	343
	<u>2,509</u>	<u>37,731</u>

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

11 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

12 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% 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% 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 ending June 30, 2024 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

13 EARNINGS PER UNIT

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

14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund for the current period is 2.66% (December 31, 2022: 2.21%) which includes 0.24% (December 31, 2022: 0.13%) representing government levy, sales tax and annual fee to the SECP. The prescribed limit for the ratio is 2.5% (December 31, 2022: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a Shariah compliant income scheme.



15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1** Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes being managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 15.2** Transactions with related parties / 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 related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.
- 15.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.5** Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company subject to the maximum prescribed Total Expense Ratio.

15.6 Details of transactions with related parties / connected persons during the period are as follows:

----- (Un-audited) -----	
Half year ended	
December 31, 2023	December 31, 2022
----- (Rupees in '000) -----	

NBP Fund Management Limited - the Management Company

Remuneration of the Management Company	8,652	10,060
Sindh sales tax on remuneration of the Management Company	1,125	1,308
Reimbursement of allocated expenses	1,102	11,877
Reimbursement of selling and marketing expenses	5,855	1,563
Sales load and Sindh sales tax on sales load	242	475
ADC charges paid including Sindh sales tax during the period	319	102

Central Depository Company of Pakistan Limited - the Trustee

Remuneration of the Trustee	551	938
Sindh sales tax on remuneration of the Trustee	72	122
Settlement charges	4	9

National Bank of Pakistan - Parent of the Management Company

Profit on bank balance	-	-
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BankIslami Pakistan Limited - common directorship *

Profit on bank balance	-	24,075
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Employees of the Management Company

Units issued / transferred in: 1,296,167 units (2022: 611,623 units)	14,358	6,449
Units redeemed / transferred out: 793,352 units (2022: 752,419 units)	8,531	7,918

NBP RIBA FREE SAVINGS FUND



----- (Un-audited) -----
Half year ended
December 31, December 31,
2023 2022
----- (Rupees in '000) -----

Portfolio managed by the Management Company *

Units issued / transferred in: Nil units (2022: 71 units) - 1

K Electric Limited - common directorship

Sukuks purchased - 270,000
Income accrued - 21,283

(Un-audited) (Audited)
December 31, June 30,
2023 2023
----- (Rupees in '000) -----

15.7 Amounts outstanding as at period / year end are as follows :

NBP Fund Management Limited - the Management Company

Remuneration payable to the Management Company	1,375	1,522
Sindh sales tax payable on remuneration of the Management Company	179	198
Reimbursement of allocated expenses payable	546	607
Reimbursement of selling and marketing expenses payable	2,690	3,837
Federal excise duty on remuneration of the Management Company	10,657	10,657
Federal excise duty on sales load	334	334
Sales and transfer load payable	183	75
Sindh sales tax on sales load payable	24	10
ADC charges payable including Sindh sales tax	364	66

Central Depository Company of Pakistan Limited - the Trustee

Remuneration payable to the Trustee	94	97
Sindh sales tax payable on remuneration of the Trustee	12	13
Settlement charges payable	42	40
Security deposit	200	200

National Bank of Pakistan - Parent of the Management Company

Bank balance	696	882
Profit receivable on bank balance	32	33

Employees of the Management Company

Units held: 858,146 (June 30, 2023: 355,331) units 9,749 3,667

Portfolio managed by the Management Company *

Units held: Nil (June 30, 2023: 235) units - 2

Mr. Khalid Mehmood - Chief Financial Officer of the Management Company

Units held: 72 (June 30, 2023: 72) units 1 1

* Current period figures have not been presented as the person is not a connected person / related party of the Fund as at December 31, 2023.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing at the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value.

----- Un-audited -----			
----- As at December 31, 2023 -----			
Level 1	Level 2	Level 3	Total
----- Rupees in 000 -----			

At fair value through profit or loss

Government securities	-	626,788	-	626,788
Corporate sukuk certificates *	-	150,045	-	150,045
Certificates of musharakah *	-	183,650	-	183,650
	-	960,483	-	960,483

----- Audited -----			
----- As at June 30, 2023 -----			
Level 1	Level 2	Level 3	Total
----- Rupees in 000 -----			

At fair value through profit or loss

Government securities	-	223,556	-	223,556
Corporate sukuk certificates *	-	200,040	-	200,040
Certificates of musharakah *	-	164,780	-	164,780
Term deposit receipts **	-	150,000	-	150,000
	-	738,376	-	738,376

* The valuation of corporate sukuk certificates and certificates of musharakah was done based on amortisation to their face values as per the guidelines given in Circular 33 of 2012 by the SECP since the residual maturity of these was less than six months and they were placed with counterparties which have high credit rating.



****** The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

17 GENERAL

17.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 29, 2024.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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