



NBP FUNDS

Managing Your Savings

Islamic Savings

Aitemaad اعتماد



اساتک ستر

NBP Fund Management Limited



NBP ISLAMIC SARMAYA IZAF 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."



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	11
INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS	12
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	13
CONDENSED INTERIM INCOME STATEMENT	14
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	15
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	16
CONDENSED INTERIM CASH FLOW STATEMENT	17
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION	18



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

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



Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Islamic Sarmaya Izafa Fund** (NISIF) for the half year ended December 31, 2023.

Fund's Performance

During the first half of fiscal year 2024, the stock market showcased outstanding performance as the benchmark KMI-30 index surged by an impressive 34,000 points, translating into a remarkable 48% return over the period.

Equities started off on a strong footing, and this momentum persisted throughout the period. The turning point for the market was the signing of the Staff Level Agreement (SLA) with the IMF on June 29th, which ignited significant investor's interest. Subsequently, the IMF executive board approved a USD 3 billion Stand-By Agreement (SBA) for nine months until March 2024. Concurrently, the country received USD 2 billion from Saudi Arabia, and later UAE approved a deposit of USD 1 billion. Following these developments, the first loan tranche of USD 1.2 billion from the SBA was received from the IMF. Fitch also upgraded Pakistan's Long-Term Foreign Currency Issuer Rating. In tandem with the SLA, Pakistan's dollar bonds rallied in the international market, almost doubling during the period. Multilateral inflows, particularly from ADB and World Bank, gained momentum. Consequently, the State Bank of Pakistan's reserves improved from USD 4.4 billion to USD 8.2 billion at the end of the period. The improving reserves, coupled with a crackdown against illicit trade in the open market, brought much-needed stability to the foreign exchange market, resulting in a slight appreciation of the PKR by 1.45%. Other economic indicators also pointed towards stability and gradual improvement. According to data released by the Pakistan Bureau of Statistics (PBS), GDP growth for 1QFY2024 stood at 2.1%, led by robust agricultural growth. The current account deficit during 1H narrowed considerably, reaching USD 831 million compared to USD 3.6 billion in the same period last year. Inflation, on a sequential basis, tapered off but remained elevated, averaging around 28.8% during the period, primarily due to a massive increase in energy component of the CPI basket and unabated food inflation. During the period, the Monetary Policy Committee (MPC) of SBP kept the Policy Rate unchanged at 22%. However, secondary market yields across various tenures fell sharply from their peak, reflecting investors' expectations of imminent rate cuts. The listed corporate space declared stellar results with equally impressive dividend announcements by select companies. It is noteworthy that the cumulative profitability of KSE-100 Index surged by around 59% YoY during September quarter results. Sequential improvement in earnings was also broad-based. In a significant development, one of the largest auto players announced its intention to delist its shares from the bourse, acting as a key catalyst. The delisting price was 7x higher than the prevailing price, reflecting the potential of the stock market. Other contributing factors included the government's approval of revised gas tariffs. The announcement of election date by ECP further alleviated political uncertainties. Towards the end, the country successfully completed the first review of the IMF.

In terms of sector-wise performance, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Commercial Banks, Engineering, Leather & Tanneries, Oil & Gas Exploration, Power Generation & Distribution, Refinery, Tobacco, and Transport sectors outperformed the market. On the other hand, Cement, Fertilizers, Food & Personal Care, Glass & Ceramics, Insurance, Miscellaneous, Paper & Board, Pharmaceutical, Sugar & Allied, Technology & Communication, and Textile Composite sectors lagged behind the market. Regarding participants' market activity, Foreigners, Insurance, and Companies emerged as the largest net buyers with inflows of around USD 71 million, USD 60 million, and USD 52 million, respectively. Conversely, Banks/DFIs and Mutual Funds reduced their net holdings by around USD 92 million and USD 51 million, respectively.

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 the coming half, with market participants gradually elongating their maturities.

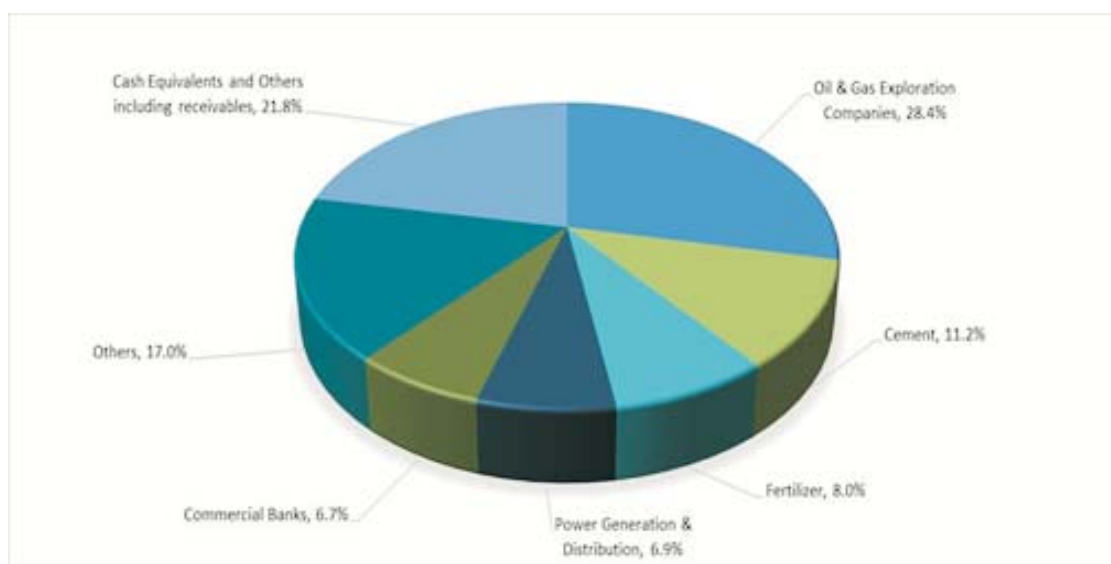
The measures taken to address the ailing economic activity hinge on continued targeted fiscal consolidation and the timely realization of planned external inflows. As of the end of December, the net liquid foreign exchange reserves held with the SBP stood at around USD 8.22 billion.

The MoF conducted its first auction of 1-year fixed rate Sukuk (Government Debt Securities - GDS) through PSX. The total participation was 396bn between the range of 18.5% an 33.4249%. The accepted amount was PKR 30,190mn and cutoff yield was 19.5199%.

The Shariah Compliant short-term sukuks witnessed a sizable issuance from the corporates to meet their financing requirements.

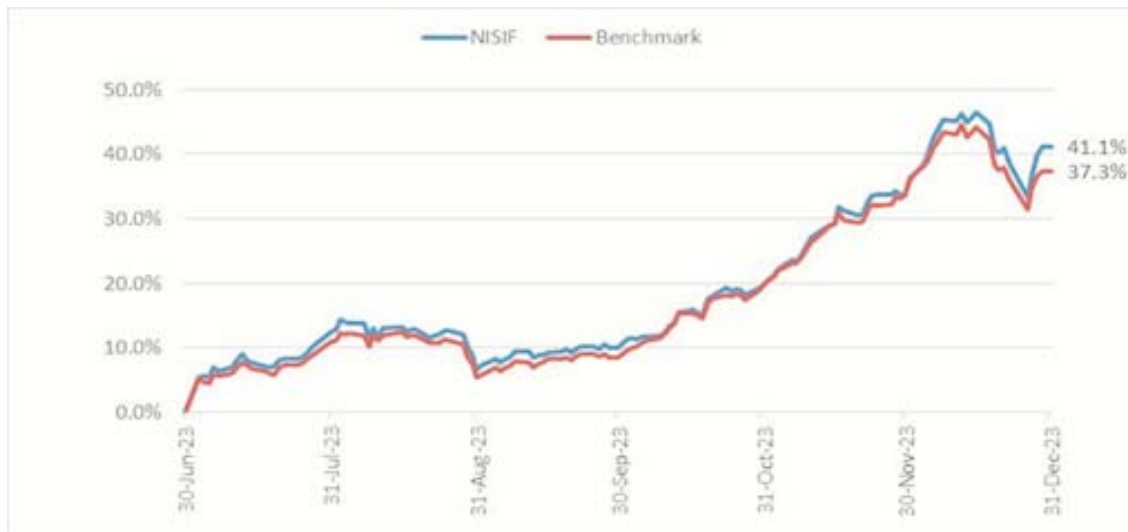
The size of NBP Islamic Sarmaya Izafa Fund has decreased from Rs. 1,284 million to Rs. 1,201 million during the period, i.e., a decrease of 6.5%. During the period, the unit price of NBP Islamic Sarmaya Izafa Fund has increased from Rs. 15.1426 on June 30, 2023 to Rs. 21.3692 on December 31, 2023, thus showing an increase of 41.1%. The Benchmark Increased during the same period was 37.3%. Thus, the Fund has outperformed its Benchmark by 3.8% 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. 21.3692 on December 31, 2023, thus showing an increase of 524.1%. During the said period, the Benchmark increased by 329.6%, translating into outperformance of 194.5%. This performance is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 455.13 million during the period. After deducting total expenses of Rs. 26.94 million, the net income is Rs. 428.19 million. The asset allocation of the Fund as on December 31, 2023 is as follows:



NBP Islamic Sarmaya Izafa Fund

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: **February 29, 2024**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ نیچسٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2023 کو ختم ہونے والی ششماہی کے لئے NBP اسلامک سرمایہ اضافہ فنڈ (NISIF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 2024 کی پہلی سشماہی کے دوران اسٹاک مارکیٹ کی کارکردگی بہت بہتر رہی، کیونکہ بیئیچ مارک KMI-30 انڈیکس میں 34,000 پوائنٹس کا زبردست اضافہ ہوا، جس کے نتیجے میں مدت کے لیے 48% قابل ذکر منافع ہوا۔

ایکویٹیز کا آغا ز محکم بنیادوں پر ہوا، اور یہ رفتار پوری مدت میں برقرار رہی۔ 29 جون کو IMF کے ساتھ اسٹاف لیول ایگریمنٹ (SLA) پر دستخط کرنا مارکیٹ کے لیے ایک فرنگ پوائنٹ تھا، جس نے سرمایہ کاروں کی نمایاں دلچسپی کو ختم دیا۔ اس کے بعد، آئی ایم ایف کے ایگزیکٹو بورڈ نے مارچ 2024 تک نو ماہ کے لیے 3 بلین امریکی ڈالر کے اسٹینڈبائی ایگریمنٹ (SBA) کی منظوری دی۔ فی الحال، ملک کو سعودی عرب سے 2 بلین امریکی ڈالر وصول ہوئے، اور بعد میں متحدہ عرب امارات نے 1 بلین امریکی ڈالر کے ڈیپازٹ کی منظوری دی۔ ان پیش رفتوں کے بعد، SBA سے 1.2 بلین امریکی ڈالر کی پہلی قسط IMF سے موصول ہوئی۔ Fitch نے پاکستان کی طویل مدتی غیر ملکی کرنسی ایشریٹنگ کو بھی اپ گریڈ کیا۔ SLA کے ساتھ مل کر، پاکستان کے ڈالر بانڈز نے بین الاقوامی مارکیٹ میں تیزی دیکھی، جو اس عرصہ کے دوران تقریباً دو گنا ہو گئے۔ خاص طور پر ADB اور ورلڈ بینک سے، کثیرالاجتی رقوم نے زور پکڑا۔ نتیجتاً، اس مدت کے اختتام پر اسٹیٹ بینک آف پاکستان کے ذخائر 4.4 بلین امریکی ڈالر سے بڑھ کر 8.2 بلین امریکی ڈالر ہو گئے۔ اوپن مارکیٹ میں غیر قانونی تجارت کے خلاف کریک ڈاؤن کے ساتھ بہتر ہونے والے ذخائر زرمبادلہ کی منڈی میں انتہائی ضروری استحکام لائے، جس کے نتیجے میں پاکستانی روپیہ کی قدر میں 1.45% کا معمولی اضافہ ہوا۔ دیگر اقتصادی اشاروں نے بھی استحکام اور بتدریج بہتری کی نشاندہی کی۔ پاکستان بیورو آف سٹیتسٹکس (PBS) کے جاری کردہ اعداد و شمار کے مطابق، مالی سال 2024 کی پہلی سہ ماہی کے لیے جی ڈی پی کی شرح نمو 2.1 فیصد رہی، جس کی وجہ مضبوط زرعی نمو ہے۔ پہلی ششماہیکے دوران کرنٹ اکاؤنٹ خسارہ کافی حد تک کم ہوا، جو گزشتہ سال کی اسی مدت میں 3.6 بلین امریکی ڈالر کے مقابلے میں 831 ملین امریکی ڈالر تک پہنچ گیا۔ مہنگائی مسلسل بنیادوں پر کم نہیں بلکہ بدستبر ہی، جو اس مدت کے دوران اوسطاً 28.8% ہے، جس کی بنیاد وجہ سی پی آئی باسکٹ کے انرجی کمیونٹ میں بڑے پیمانے پر اضافہ اور بے قابو مہنگی خوراک ہے۔ اس مدت کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے پالیسی شرح کو 22% پر برقرار رکھا۔ تاہم مختلف ادوار میں ثانوی مارکیٹ کا شرح منافع اپنے عروج سے تیزی سے گر گیا، جو سرمایہ کاروں کی متوقع شرح میں کمی کی توقعات کی عکاسی کرتا ہے۔ لسٹڈ کارپوریٹ اسپینس نے منتخب کمپنیوں کے مساوی متاثر کن ڈیویڈنڈ کے اعلانات کے ساتھ شاندار نتائج کا اعلان کیا۔ یہ بات قابل ذکر ہے کہ تمبر کی سہ ماہی کے نتائج کے دوران KSE-100 انڈیکس کے مجموعی منافع میں تقریباً 59% سالانہ اضافہ ہوا۔ آمدنی میں فی الوقت بہتری بھی وسیع الدیلتھی۔ ایک اہم پیش رفت میں، سب سے بڑے آٹوپلیزرز میں سے ایک نے کلیدی کردار ادا کرتے ہوئے، اپنے حصص کو بورس سے ڈی لسٹ کرنے کے ارادہ کا اعلان کیا ہے۔ ڈی لسٹنگ کی قیمت موجودہ قیمت سے 7 گنا زیادہ تھی، جو اسٹاک مارکیٹ کی صلاحیت کو ظاہر کرتی ہے۔ دیگر معاون عوامل میں حکومت کی جانب سے نظر ثانی شدہ گیس ٹیرف کی منظوری بھی شامل ہے۔ ای سی پی کی جانب سے انتخابات کی تاریخ کے اعلان نے مزید سیاسی غیر یقینی صورتحال کو ختم کر دیا۔ آخر کار، ملک نے IMF کا پہلا جائزہ کامیابی سے مکمل کیا۔

سیکروائز کارکردگی کے لحاظ سے آٹومبیلز، آلٹا پارٹس اینڈ ایسیریز، کیل اینڈ الیکٹریکل اشیاء، کمرشل بینکنگ، انجینئرنگ، لیدر اینڈ ٹیگز، آئل اور گیس، ایکسیلریٹرز، پاور جزمیشن اینڈ ڈسٹری بیوشن، ریفرنسری، تمباکو، اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب سیکٹس، فریٹلائزر، خوراک اور ذاتی نگہداشت، گلاس اینڈ سٹریکس، انشورنس، متفرق، پیپر اینڈ بورڈ، فارماسیوٹیکل، شوگر اینڈ الائیڈ انڈسٹریز، ٹیکنالوجی اور کمیونیکیشن اور ٹیکسٹائل کمپوزٹ کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں میں، غیر ملکی، انشورنس، اور کمپنیاں بالترتیب 71 ملین امریکی ڈالر اور 60 ملین امریکی ڈالر اور 52 ملین امریکی ڈالر کی آمد کے ساتھ اہم خالص خریدار رہے۔ اس کے برعکس، بینکنگ / DFIs اور میچل فنڈز نے اپنی خالص ہولڈنگز کو بالترتیب 92 ملین امریکی ڈالر اور 51 ملین امریکی ڈالر تک کم کیا۔

مالی سال 24 کی پہلی ششماہی کے دوران، بینک دولت پاکستان (SBP) نے مانیٹرنگ 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 کمزور سرمایہ کاری نے زرمبادلہ کے ذخائر میں اضافہ کو روک دیا۔ موجودہ غیر یقینی صورتحال کی وجہ سے ابتدائی طور پر سوریجک 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 سوریجک منافع بڑھاؤ کم ہوا۔ تاہم، جس میں مارکیٹ کے شرکاء نے ایچ پی ٹی بی میں تریج اضافہ کر رہے تھے۔

کمزور معاشی سرگرمیوں سے نمٹنے کے لئے اٹھائے گئے اقدامات کا وادارہ مسلسل ہدف شدہ مالی استحکام اور منصوبہ بند بیرونی آمد کی بروقت تکمیل پر ہے۔ دوسرے کے اختتام تک اسٹیٹ بینک پاکستان کے ہاں موجود خالص لیکویڈز مبادلہ کے ذخائر تقریباً 8.23 ارب ڈالر تھے۔



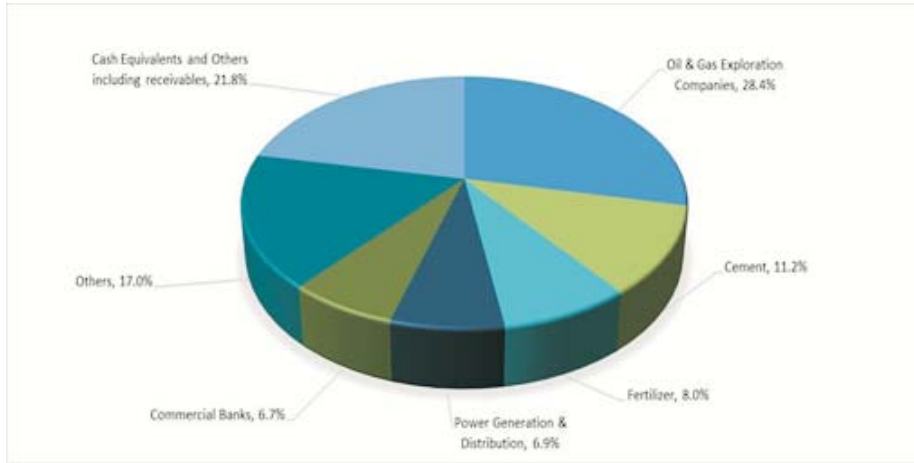
MoF نے PSX کے ذریعے ایک سالہ مقررہ شرح سکوک (گورنمنٹ ڈیٹ سیکورٹیز GDS) کی پہلی نیلامی کی۔ مجموعی شرکت داری 18.5% سے 33.4249% کے درمیان 396 بلین روپے رہی۔ قبول شدہ رقم 30,190 ملین روپے اور کٹ آف منافع 19.5199 فیصد رہا۔

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۔

NBP اسلامک سرمایہ اضافہ فنڈ کا سائز اس مدت میں 1,284 ملین روپے سے کم ہو کر 1,201 ملین روپے ہو گیا، یعنی 6.5% 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 31 دسمبر 2023 کو 21.3692 روپے ہو گئی، لہذا 41.1% کا اضافہ دکھائی دیا۔ اسی مدت کے دوران بنچ مارک بڑھ کر 37.3% ہو گیا۔ لہذا فنڈ کی کارکردگی زیر جائزہ مدت کے دوران اپنے بنچ مارک سے 3.8% بہتر رہی۔ اپنے قیام کے بعد 26 اکتوبر 2007 سے فنڈ کا NAV 3.4241 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2023 کو 21.3692 روپے ہو گیا، یعنی 524.1% کا اضافہ ہوا۔ اس مدت کے دوران بنچ مارک 329.6% سے بڑھا۔ لہذا فنڈ نے 194.5% کی بہتر کارکردگی دکھائی۔ یہ کارکردگی بینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP اسلامک سرمایہ اضافہ فنڈ کو اس مدت کے دوران 455.13 ملین روپے کی مجموعی آمدنی ہوئی۔ 26.94 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 428.19 ملین روپے ہے۔

31 دسمبر 2023 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



NISIF کی کارکردگی بمقابلہ بنچ مارک





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 آرٹھری 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 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 Islamic Sarmaya Izafa 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' REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Islamic Sarmaya Izafa Fund** (the Fund) as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement and notes to the financial statements for the half year then ended (here-in-after referred to as the interim financial statements). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of the interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial Information Performed by the Independent Auditor of the Entity". A review of 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 interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three months' period ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2022.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Shaukat Naseeb**.

Grant Thornton Anjum Rahman

Chartered Accountants

Date: February 29, 2024

Karachi

UDIN: RR202310126TilgFHQpc

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT DECEMBER 31, 2023

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- Rupees in '000 -----	
ASSETS			
Bank balances	4	321,287	243,176
Investments	5	939,252	1,079,253
Accrued profit and dividend receivable	6	4,994	5,885
Receivable against transfer of units		2,123	11,268
Receivable against sale of investments		-	11,399
Deposits, prepayments and other receivables	7	6,359	6,478
Total assets		1,274,015	1,357,459
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	8	25,768	29,182
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	216	215
Payable to the Securities and Exchange Commission of Pakistan	10	101	449
Payable against redemption of units		9,801	1,544
Accrued expenses and other liabilities	11	37,343	41,620
Total liabilities		73,229	73,010
NET ASSETS		1,200,786	1,284,449
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			
		1,200,786	1,284,449
CONTINGENCIES AND COMMITMENTS			
	12	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	13	56,192,238	84,823,698
		-----Rupees-----	
NET ASSET VALUE PER UNIT	14	21.3692	15.1426

The annexed notes from 1 to 22 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				
Return / income on:				
-bank balances	30,429	21,195	16,251	10,191
-sukuks	1,535	22,314	-	10,019
Dividend income	35,045	97,998	24,520	67,778
Gain / (loss) on sale of Investment	90,882	2,052	53,364	(909)
Net unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	297,237	(70,671)	219,780	(54,114)
Total income	455,128	72,888	313,915	32,965
EXPENSES				
Remuneration of NBP Fund Management Company Limited				
- Management Company	8.1 13,189	27,196	6,953	12,526
Sindh sales tax on remuneration of the Management Company	8.2 1,715	3,535	904	1,628
Reimbursement of operational expenses to the Management Company	8.3 1,230	2,720	606	1,253
Reimbursement of selling and marketing expenses	8.4 6,984	17,677	2,930	8,141
Remuneration of Central Depository Company of Pakistan Limited ' - Trustee	9.1 1,118	1,864	555	878
Sindh sales tax on remuneration of the Trustee	145	242	72	114
Annual fee to the Securities and Exchange Commission of Pakistan	10 584	272	288	125
Securities transaction cost	871	1,151	351	491
Settlement and bank charges	276	184	138	92
Auditors' remuneration	497	380	248	190
Fund rating fee	136	138	68	71
Legal and professional charges	73	74	37	37
Annual listing fee	14	14	7	7
Printing charges	18	91	9	85
Shariah advisor fee	92	218	46	133
Total expenses	26,942	55,756	13,212	25,771
Net income from operating activities	428,186	17,132	300,703	7,194
Taxation	15 -	-	-	-
Net income / (loss) for the period after taxation	428,186	17,132	300,703	7,194
Allocation of net income for the period				
Net income for the period after taxation	428,186	17,132	300,703	7,194
Income already paid on units redeemed	(84,710)	(53)	(57,477)	-
	343,476	17,079	243,226	7,194
Accounting income available for distribution:				
Relating to capital gain	90,882	-	-	-
Excluding capital gain	252,594	17,079	-	-
	343,476	17,079	-	-

The annexed notes from 1 to 22 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	428,186	17,132	300,703	7,194
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	428,186	17,132	300,703	7,194

The annexed notes from 1 to 22 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 UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended					
	December 31, 2023			December 31, 2022		
	(Rupees in '000)					
	Capital value	Undistributed (loss) / Income	Total	Capital value	Undistributed (loss) / Income	Total
Net assets at beginning of the period	1,524,954	(240,505)	1,284,449	3,341,972	(239,634)	3,102,338
Issue of 4,346,652 units (2022: 11,783,343)						
- Capital value	65,821	-	65,821	179,463	-	179,463
- Element of income / (loss)	16,343	-	16,343	4,275	-	4,275
Total proceeds on issue of units	82,164	-	82,164	183,738	-	183,738
Redemption of 32,978,112 units (2022: 73,543,684)						
- Capital value	(499,374)	-	(499,374)	(1,120,044)	-	(1,120,044)
- Element of income / (loss)	(9,929)	(84,710)	(94,639)	(16,277)	(53)	(16,330)
Total payments on redemption of units	(509,303)	(84,710)	(594,013)	(1,136,321)	(53)	(1,136,374)
Total comprehensive income for the period	-	428,186	428,186	-	17,132	17,132
Net assets at end of the period	1,097,815	102,971	1,200,786	2,389,389	(222,555)	2,166,835
Undistributed (loss) brought forward (June 30, 2023 and June 30, 2022)						
- Realised (loss) / income		(194,592)			279,514	
- Unrealised (loss)		(45,913)			(519,148)	
		(240,505)			(239,634)	
Accounting income available for distribution:						
- Relating to capital gains	297,103			-		
- Excluding capital gains	46,373			17,079		
Income for the year after taxation	343,476			17,079		
Undistributed income carried forward		102,971			(222,555)	
Undistributed income carried forward						
- Realised		(194,266)			(151,884)	
- Unrealised income / (loss)		297,237			(70,671)	
		102,971			(222,555)	
		- (Rupees) -			- (Rupees) -	
Net assets value per unit at beginning of the period	15.1426			15.2302		
Net assets value per unit at end of the period	21.3692			15.2663		

The annexed notes from 1 to 22 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 CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended	
	December 31, 2023	December 31, 2022
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	428,186	17,132
Adjustments for non-cash items		
Net unrealised gain on re-measurement of investments at fair value through profit or loss	(297,237)	(70,671)
	130,949	(53,539)
Working capital changes		
(Increase) / decrease in assets		
Receivable against transfer of units	9,145	4,835
Investments - net	437,238	919,043
Receivable against sale of investment	11,399	(30,312)
Accrued profit and dividend receivable	891	1,969
Deposits, prepayments and other receivables	119	124
	458,792	895,659
(Decrease) / increase in liabilities		
Payable to the Management Company	(3,414)	(3,194)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(71)
Payable to the Securities and Exchange Commission of Pakistan	(348)	(633)
Payable against redemption of units	8,257	1,223
Accrued expenses and other liabilities	(4,276)	3,087
	219	412
Net cash generated from operating activities	589,960	842,532
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units - net	82,164	183,738
Amounts paid on redemption of units - net	(594,013)	(1,136,374)
Net cash used in financing activities	(511,849)	(952,636)
Net increase / (decrease) in cash and cash equivalents during the period	78,109	(110,104)
Cash and cash equivalents at the beginning of the period	243,176	347,525
Cash and cash equivalents at the end of the period	321,287	237,422

The annexed notes from 1 to 22 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 THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 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 executed on August 20, 2007 and 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.

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.

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 categorized 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 22 June, 2023 and has assigned performance ranking of 3-star to the Fund on August 15, 2023.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements has been prepared, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 ; and
- The requirements of the Trust Deed , the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The "NBFC Regulation") and the directives issued by the SECP.

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 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 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 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, therefore, should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2023.

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 gives a true and fair view of the state of the Fund's affairs as at December 31, 2023.

The Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

3 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2023.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods. The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the period ended December 31, 2023.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	-----Rupees in '000-----	
4 BANK BALANCES			
Current accounts	4.1	14,578	25,132
Savings accounts	4.2 & 4.3	306,709	218,044
		321,287	243,176

4.1 These include bank balances of Rs. 0.887 million (June 30, 2023: Rs. 0.905 million), maintained with National Bank of Pakistan (related party).

4.2 These savings accounts carry mark-up at rates ranging from 11.01% to 21.75% per annum (June 30, 2023: 7% to 15.25% per annum).

4.3 These include a bank balances of Rs. 1.79 million (June 30, 2023: Rs. 1.04 million), which are maintained with National Bank of Pakistan.



5 INVESTMENTS

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

Financial assets at fair value through profit or loss

Listed equity securities	5.1	939,252	1,034,119
Sukuks		-	45,134
		939,252	1,079,253

5.1 Listed equity securities

Name of the investee company	As at July 01, 2023	Acquired during the period	Bonus / right issue	Sold during the period	As at December 31, 2023	Market value as at December 31, 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
----- Number of shares ----- Rupees in '000 ----- % -----									

All shares have a nominal face value of Rs. 10 each except for shares of Thal limited and Synthetic Products Limited Limited, which have a face value of Rs. 5.

OIL AND GAS MARKETING COMPANIES

Pakistan State Oil Company Limited	253,051	-	-	113,500	139,551	24,660	2%	3%	0.0%
Haseel Petroleum Limited	3,424	-	-	-	3,424	25	0%	0%	0.0%
	256,475	-	-	113,500	142,975	24,685	2%	3%	

OIL AND GAS EXPLORATION COMPANIES

Oil and Gas Development Company Limited	1,279,590	14,600	-	392,100	902,090	101,440	8%	11%	0.0%
Pakistan Oilfields Limited	33,230	-	-	33,230	-	-	0%	0%	0.0%
Pakistan Petroleum Limited	1,604,480	35,603	-	558,803	1,081,280	124,380	10%	13%	0.0%
Mari Petroleum Company Limited	73,249	-	-	18,260	54,990	115,264	10%	12%	0.0%
	2,990,549	50,203	-	1,002,393	2,038,360	341,084	28%	36%	

CHEMICALS

Engro Polymer & Chemicals Limited	46,326	-	-	46,326	-	-	0%	0%	0.0%
Lucky Core Industries Limited	4,766	-	-	4,766	-	-	0%	0%	0.0%
	51,092	-	-	51,092	-	-	0%	0%	

FOOD AND PERSONAL CARE PRODUCTS

Al Shaheer Corporation Limited	11,788	-	-	-	11,788	146	0%	0%	0.0%
	11,788	-	-	-	11,788	146	0%	0%	



Name of the investee company	As at July 01, 2023	Acquired during the period	Bonus / right issue	Sold during the period	As at December 31, 2023	Market value as at December 31, 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		%		
ENGINEERING									
Mughal Iron And Steel Industries Limited	725,739	10,000	-	375,678	360,061	23,829	2%	3%	0.1%
	725,739	10,000	-	375,678	360,061	23,829	2%	3%	
CEMENT									
Lucky Cement Limited	100,420	-	-	62,720	37,700	29,669	2%	3%	0.0%
Kohat Cement Company Limited	669,436	-	-	261,113	408,323	95,641	8%	10%	0.2%
PECTO Cement Limited	230,700	-	-	-	230,700	9,242	1%	1%	0.3%
	1,000,556	-	-	323,833	676,723	134,552	11%	14%	
TRANSPORT									
Pakistan National Shipping Corporation	133,300	-	-	34,000	99,300	26,264	2%	3%	0.1%
	133,300	-	-	34,000	99,300	26,264	2%	3%	
TEXTILE COMPOSITE									
Nishat Mills Limited	170,400	20,000	-	93,000	97,400	7,473	1%	1%	0.0%
Kohinoor Textile Mills Limited	662,380	-	-	465,100	197,280	18,692	2%	2%	0.1%
Synthetic Products Limited	590	-	-	-	590	8	0%	0%	0.0%
	833,370	20,000	-	558,100	295,270	26,173	2%	3%	
FERTILIZER									
Engro Corporation Limited	412,581	-	-	111,100	301,481	88,910	7%	9%	0.1%
Engro Fertilizers Limited	68,500	-	-	8,000	60,500	6,790	1%	1%	0.0%
	481,081	-	-	119,100	361,981	95,700	8%	10%	
POWER GENERATION AND DISTRIBUTION									
The Hub Power Company Limited	1,390,890	33,600	-	718,176	706,314	82,702	7%	9%	0.1%
Lahore Power Limited	233,500	-	-	215,500	18,000	406	0%	0%	0.0%
	1,624,390	33,600	-	933,676	724,314	83,108	7%	9%	
COMMERCIAL BANKS									
Meezan Bank Limited	776,471	4,500	-	284,200	496,771	80,159	7%	9%	0.0%
	776,471	4,500	-	284,200	496,771	80,159	7%	9%	
AUTOMOBILE PARTS AND ACCESSORIES									
Baluchistan Wheels Limited	151,500	-	-	151,500	-	-	0%	0%	0.0%
Thal Limited	1	-	-	-	1	-	0%	0%	0.0%
Panther tyres Limited	46,600	-	-	46,600	-	-	0%	0%	0.0%
Agiautos Industries Co. Limited	1,750	-	-	-	1,750	175	0%	0%	0.0%
	199,851	-	-	198,100	1,751	175	0%	0%	
PHARMACEUTICALS									
Haleon Pakistan Limited	1,000	-	-	1,000	-	-	0%	0%	0.0%
IBL HealthCare Limited	35,700	-	-	35,700	-	-	0%	0%	0.0%
The Seale Company Limited	118,886	15,000	15,450	98,050	51,286	2,640	0%	0%	0.0%
AGP Limited	41,506	-	-	9,700	31,806	2,236	0%	0%	0.0%
Citi Plasma Limited	120,816	-	-	39,500	81,316	1,930	0%	0%	0.0%
	317,908	15,000	15,450	183,950	164,408	6,806	1%	1%	
TECHNOLOGY AND COMMUNICATION									
Avanceon Limited	20,588	-	-	-	20,588	1,181	0%	0%	0.0%
Systems Limited	207,741	1,000	-	43,400	165,341	70,032	6%	7%	0.1%
	228,329	1,000	-	43,400	185,929	71,213	6%	8%	
CABLE AND ELECTRICAL GOODS									
Pak Elektron Limited	178,940	-	-	178,940	-	-	0%	0%	0.0%
	178,940	-	-	178,940	-	-	0%	0%	



NBP FUNDS

FONDS

NBP Fund Management Limited

Name of the investee company	As at July 01, 2023	Acquired during the period	Bonus / right issue	Sold during the period	As at December 31, 2023	Market value as at December 31, 2023	Market value as a percentage of net assets	Market value as a percentage of total	Investment as a percentage of paid up capital of
	Number of shares			Rupees in '000		%			
GLASS AND CERAMICS									
Tanq Glass Industries Limited	96,626	-	-	53,000	43,626	4,350	0%	0%	0.0%
Shabbir Tiles and Ceramics Limited	2,135,500	-	-	661,500	1,474,000	21,005	2%	2%	0.6%
	2,232,126	-	-	714,500	1,517,626	25,355	2%	3%	
Grand Total	12,041,965	134,303	15,450	5,114,462	7,077,257	939,252	78%	100%	
Carrying value before mark to market as at December 31, 2023						642,015			

- 5.1.1** Investments include shares with market value of Rs. 102.004 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, the breakup of which is as follows:
- 5.1.2** The Finance Act, 2014 has brought amendments to the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on the value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and the Mutual Funds Association of Pakistan, has led a petition in the Honorable Sindh High Court to declare the amendments brought in the Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted a stay order till the final outcome of the case. Accordingly, the investee company(s) has withheld the shares equivalent to 5% of the bonus announcement and not deposited in the CDC account of the Department of Income Tax.

5.2 Non-performing Sukuks

Name of the investee company	Note	Number of certificates				Market value as at December 31, 2023	Investment as a percentage of		
		As at July 1, 2023	Purchased during the	Sold / matured during the	As at December 31, 2023		Net assets	Market value of total investments	Issue size
Rupees in '000									
----- % -----									
All sukuk have a face value of Rs. 5,000 each.									
Eden Housing Limited	5.3.1	5,000	-	-	5,000	-	-	-	-
Carrying value as at December 31, 2023						<u>4,922</u>			
Accumulated impairment						4,922			

- 5.2.1** This represents investment in privately placed sukuk 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.
- 5.2.2** The sukuk held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

5.2.3 Other particulars of sukuk outstanding as at December 31, 2023 are as follows:

Name of the investee company	Face value (unredeemed)	Mark-up rate per annum	Rating	Issue date	Maturity date
Eden House Limited	984	6 Month KIBOR plus 2.5%	Not rated	March 31, 2008	March 31, 2013

5.3 Unrealised appreciation / (diminution) on premeasurement of investments classified as financial assets at 'fair value through profit or loss'

Market value of investments
Less: carrying value of investments

(Un-audited) December 31, 2023	(Audited) June 30, 2023
939,252	1,079,253
642,015	1,125,166
297,237	(45,913)

6 ACCRUED PROFIT AND DIVIDEND RECEIVABLE

Accrued profit on bank balances
Accrued profit on sukuk

4,994	4,704
-	1,181
4,994	5,885

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Note

Security deposits with:
-National Clearing Company of Pakistan Limited
-Central Depository Company of Pakistan limited
Prepayment
Advance tax

(Un-audited) December 31, 2023	(Audited) June 30, 2023
2,500	2,500
100	100
73	192
3,686	3,686
6,359	6,478

8 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY

Remuneration of the Management Company
Sindh Sales Tax on remuneration of the Management Company
Reimbursement of operational expenses
Reimbursement of selling and marketing expenses
ADC charges payable including sindh sales tax
Sales and transfer load
Sindh Sales Tax and Federal Excise Duty on sales and transfer load

8.1	2,658	2,159
8.2	346	281
8.3	607	786
8.4	2,931	5,110
	469	135
	1,069	2,798
	17,688	17,913
	25,768	29,182

- 8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration at the rate of 2% of the average annual net assets of the Fund. The fund has charged remuneration from Jul 2023 to Nov 09, 2023 at the rate of 2% of the average annual net assets and 2.50% of the average annual net assets from Nov 10, 2023 to Dec 2023. The remuneration is payable to the Management Company monthly in arrears.
- 8.2 This represents amount payable in respect of Sindh sales tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 8.3 In accordance with clause 60(s) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Management Company is allowed to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS. Accordingly, such expense has been charged at the rate of 0.2% of average annual net assets of the fund.

- 8.4 The Management Company based on its own discretion has charged selling and marketing expenses at the below mentioned rates duly approved by the Board of Directors of the Management Company:

Effective Dates	Applicable Rates
From July to Nov	1.3% per annum of average daily net assets
From Nov to Onwards	0.73% per annum of average daily net assets

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE	Note	-----Rupees in '000-----
	Remuneration of the Trustee	9.1	191
	Sindh sales tax on remuneration of the Trustee		25
			<u>216</u>
			<u>190</u>

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

Tariff per annum

- up to Rs one billion

0.20% per annum of Net Assets Value (NAV), whichever is higher

- Exceeding Rs one billion

Rs 2.0 million plus 0.10% per annum of net assets, on amount exceeding Rs 1,000 million.

The remuneration is paid to the Trustee monthly in arrears.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	-----Rupees in '000-----
	Annual Fee to SECP	10.1	101
			<u>449</u>
			<u>101</u>
			<u>449</u>

- 10.1 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. 692(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to "Shariah Compliant Asset Allocation". 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 SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	-----Rupees in '000-----	
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		548	647
Federal Excise Duty on remuneration of the Management Company	11.1	18,406	18,406
Bank charges		230	128
Settlement charges		116	192
Printing charges		180	180
Brokerage Charges		228	212
Charity	11.2	13,165	13,609
Withholding tax		221	7,642
Capital gain tax		3,286	48
Others		963	554
		37,343	41,620

- 11.1** The status of Federal Excise Duty (FED) is the same as disclosed in the annual financial statements for the year ended June 30, 2023. Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs.18.406 million (June 30, 2023: 18.406 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.3276 (June 30, 2023: Rs. 0.2170) per unit.
- 11.2** According to the instructions of the shariah advisor, any income earned by the Fund from investments whereby portion of the investment of such investees has been made in shariah non-compliant avenues, such proportion of income of the Fund from those investees should be given away for charitable purposes directly by the Fund. Accordingly, an amount of Rs. 13.165 million (June 30, 2023: Rs 1.429 million) is outstanding in this regard after making charity payments of Rs.1.686 million (June 30, 2023: Rs. 4.00 million) to charitable institutions.

12 CONTINGENCIES AND COMMITMENTS

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

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- Number of Units -----	
13 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the period	84,823,698	203,696,124
Units issued during the period	4,346,652	19,545,079
Units redeemed during the period	(32,978,112)	(138,417,505)
Total units in issue at the end of the period	56,192,238	84,823,698

14 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.

15 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 provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16 EARNINGS / (LOSS) PER UNIT

Earnings / (loss) 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.

17 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 categorisation 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	% of gross assets
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-----Rupees in '000-----

Eden Housing	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)	-	-	-
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- 17.1 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.

18 TOTAL EXPENSE RATIO

Total expense ratio (TER) of the Fund for the period ended December 31, 2023 is 4.39% (June 30, 2023: 4.17%) per annum which includes 0.10% (June 30, 2023: 0.3%) representing government levies on Collective Investment Schemes such as sales tax and Securities and Exchange Commission of Pakistan fee for the year.

19 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 19.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsor, NAFA Pension Fund, NAFA Provident Fund Trust being associates Management Company and 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 10% or more units of the fund.
- 19.2** The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.
- 19.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 19.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

		(Un-audited)	
		December 31, 2023	December 31, 2022
		----- Rupees in '000' -----	
19.5	Details of transaction with connected persons and related parties are as follows:		
	NBP Fund Management Limited - The Management Company		
	Remuneration of the Management Company	13,189	27,196
	Sindh sales tax on remuneration of the Management Company	1,715	3,535
	Reimbursement of operational expenses to the Management Company	1,230	2,720
	Reimbursement of selling and marketing expenses	6,984	17,677
	Sales and transfer load including sales tax	429	1,824
	ADC charges for the period including sindh sales tax	339	33
	Units redeemed / Transferred out: Nil units (2022: 5,243,844 units)	-	77,706
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration of the Trustee	1,118	1,864
	Sindh sales tax on remuneration of the Trustee	145	242
	Settlement charges	92	184
	Employees of the Management Company		
	Units issued / transferred in: 907,497 units (2022: 755,546 units)	17,019	11,809
	Units redeemed / transferred out: 906,722 units (2022: 878,115 units)	17,112	13,656
	Khalid Mehmood - CFO		
	Units issued / transferred in: Nil units (2022: 24,902)	-	390
	Taurus Securities Limited - Subsidiary of Parent of the Management Company		
	Brokerage charges	66	75
	Bank Islami Pakistan Limited - Common directorship*		
	Profit on bank balances	-	4,993

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

Portfolio managed by Management Company

Units redeemed / transferred out: 1,605,938 units (2022: Nil)

25,879 -

K-Electric Limited- Common Directorship

Purchase of sukuks

- 50,000

Profit on sukuks

- 3,013

Sukuks matured

50,000 -

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

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

NBP Fund Management Limited - Management Company

Remuneration of the Management Company

2,658 2,159

Sindh sales tax on remuneration of the Management Company

346 281

Reimbursement of operational expenses

607 786

Sales load and transfer load payable to Management Company

1,069 2,798

Sindh sales tax and Federal Excise Duty on sales and transfer load

17,688 17,913

ADC charges payable including sindh sales tax

469 135

Reimbursement of selling and marketing expenses

2,931 5,110

Central Depository Company of Pakistan Limited- Trustee

Remuneration of the Trustee

191 190

Sindh sales tax on remuneration of the Trustee

25 25

Settlement charges

116 85

Security deposit

100 100

National Bank of Pakistan - Parent of the Management Company

Bank balances

2,675 1,947

Profit on bank balances

4 -

Employees of the Management Company

Units held - 99,896 units (June 30, 2023: 700,884 units)

2,135 6,719

20 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.

Fair value hierarchy:

- **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 (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

				Fair value				
Note	At Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total	
December 31, 2023				Rupees in '000				
Financial assets measured at fair value								
Sukuks	5	-	-	-	-	-	-	
Listed equity securities		939,252	-	939,252	939,252	-	-	939,252
		939,252	-	939,252	939,252	-	-	939,252
Financial assets not measured at fair value								
Bank balances	4	-	321,287	321,287	-	-	-	-
Accrued profit	6	-	4,994	4,994	-	-	-	-
Receivable against transfer of units		-	2,123	2,123	-	-	-	-
Deposits and other receivables	8	-	6,359	6,359	-	-	-	-
		-	334,763	334,763	-	-	-	-
Financial liabilities not measured at fair value								
Payable to the Management Company	9	-	25,768	25,768	-	-	-	-
Remuneration payable to the Trustee	10	-	216	216	-	-	-	-
Payable against redemption of units		-	9,801	9,801	-	-	-	-
Payable against purchase of investment		-	-	-	-	-	-	-
Accrued expenses and other liabilities	11	-	37,444	37,444	-	-	-	-
Net assets attributable to redeemable units		-	1,200,786	1,200,786	-	-	-	-
		-	1,274,015	1,274,015	-	-	-	-
Note	At Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total	
June 30, 2023				Rupees in '000				
Financial assets measured at fair value								
Sukuks	5	45,134	-	45,134	-	45,134	-	45,134
Listed equity securities		1,034,119	-	1,034,119	1,034,119	-	-	1,034,119
		1,079,253	-	1,079,253	1,034,119	45,134	-	1,079,253
Financial assets not measured at fair value								
Bank balances	4	-	243,176	243,176	-	-	-	-
Accrued profit	6	-	5,885	5,885	-	-	-	-
Receivable against transfer of units		-	11,268	11,268	-	-	-	-
Receivable against sale of Investment		-	11,399	11,399	-	-	-	-
Deposits and other receivables	7	-	6,478	6,478	-	-	-	-
		-	278,206	278,206	-	-	-	-
Financial liabilities not measured at fair value								
Payable to the Management Company	8	-	29,182	29,182	-	-	-	-
Remuneration payable to the Trustee	9	-	215	215	-	-	-	-
Payable against redemption of units		-	1,544	1,544	-	-	-	-
Payable against purchase of investment		-	-	-	-	-	-	-
Accrued expenses and other liabilities	11	-	42,069	42,069	-	-	-	-
Net assets attributable to redeemable units		-	1,284,449	1,284,449	-	-	-	-
		-	1,357,459	1,357,459	-	-	-	-



21 GENERAL

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

21.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation.

22 DATE OF AUTHORISATION FOR ISSUE

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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