

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگز

NBP Fund Management Limited



NBP ISLAMIC GOVERNMENT SECURITIES FUND - I

QUARTERLY REPORT
MARCH 31, 2024

AM1
Rated by PACRA

MISSION STATEMENT

"To become country's most
investor-focused company,
by assisting investors
in achieving their financial goals."

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Ruhail Muhammad	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Tauqeer Mazhar	Member

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

Sonari Bank Limited

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Islamic Government Securities Plan- III (NIGSP-III)** for the period from January 19, 2024 to March 31, 2024.

Fund's Performance

During 9MFY24, the State Bank of Pakistan (SBP) convened six Monetary Policy Committee (MPC) meetings, maintaining the policy rate at 22%. Despite some improvements in the inflation outlook, the need for a prudent approach to monetary policy was emphasized, particularly considering significant adjustments in administered energy prices that have impacted inflation outcomes and future projections.

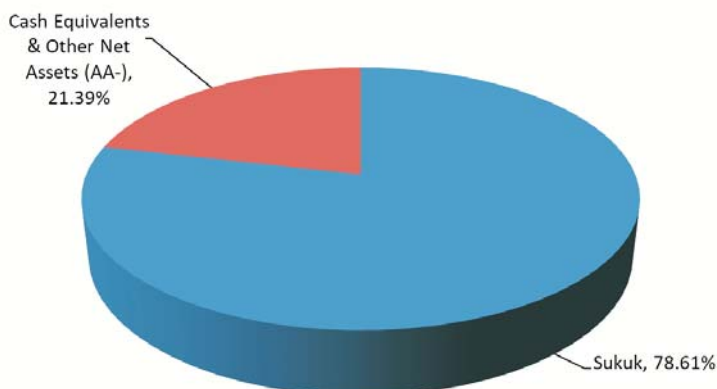
The MPC considered various factors, including an improved agricultural outlook, fluctuations in global oil prices, and ongoing efforts toward fiscal consolidation. However, the economic situation continues to face challenges, with stress on external accounts and the Pakistani Rupee (PKR), exacerbated by a lack of fiscal discipline and political instability. Additionally, escalating geopolitical tensions have led to increased global freight charges, posing threats to global trade and commodity prices.

As of March 29, 2024, the net liquid foreign exchange reserves held with the SBP stood at approximately USD 8.04 billion. During the period, SBP held nineteen (19) T-Bill auctions realizing a total of Rs. 17.70 trillion against the target of Rs. 18.01 trillion. The yields on T-Bills for 3-month, 6-month and 12-month tenures decreased by 0.93%, 1.33% and 2.20% respectively. Similarly, PIB yields decreased by 2.73%, 0.51% and 1.10% for 3-year, 5-year and 10-year tenure. There were nine (9) PIB auctions held where an amount of around Rs. 1,256 billion was realized.

NIGSP-III is categorized as a Shariah Compliant Income Fund and has been awarded stability rating of 'AA (f)' by PACRA. The fund aims to provide investors with attractive returns, by investing primarily in Shariah Compliant Government Securities.

The fund NBP Islamic Government Securities Plan- III was launched on January 19, 2024 and closed at Rs. 627 million on March 31, 2024. During the period, the unit price of the Fund has increased from Rs. 9.8836 (Ex-Div) since inception to Rs. 10.2773 on March 31, 2024, thus showing return of 20.2% as compared to the benchmark return of 19.4%. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 13.99 million during the period. After deducting total expenses of Rs. 0.77 million, the net income is Rs. 13.22 million. The asset allocation of NIGSP-III as on March 31, 2024 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 1.18% of the opening ex-NAV (1.18% of the par value) during the period from January 19,2024 to March 31, 2024.

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: **April 25, 2024**

Place: Karachi.



ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بھد مسرت 19 جنوری 2024ء سے 31 مارچ 2024ء کی مدت کے لئے NBP اسلامک گورنمنٹ سیکورٹیز پلان III (NIGSP-III) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 24 کی نو ماہی کے دوران، بینک دولت پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چھ اجلاس منعقد کئے، پالیسی ریٹ %22 پر برقرار رکھا۔ افراط زر کے نقطہ نظر میں کچھ بہتری کے باوجود، مانیٹری پالیسی کے لیے ایک محتاط اپروچ کی ضرورت پر زور دیا گیا، خاص طور پر براہ نظام توانائی کی قیمتوں میں اہم ایڈجسٹمنٹ پر غور کیا گیا جس نے افراط زر کے نتائج اور مستقبل کے تخمینوں کو متاثر کیا ہے۔

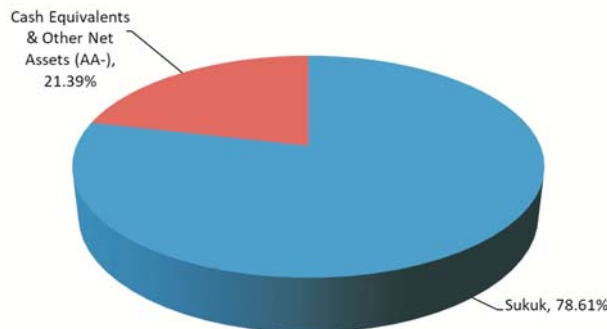
MPC نے بہتر زرعی نقطہ نظر، تیل کی عالمی قیمتوں میں اتار چڑھاؤ، اور مالی استحکام کی جانب جاری کوششوں سمیت مختلف عوامل پر غور کیا۔ تاہم، مالیاتی نظم و ضبط کے فقدان کی وجہ سے معاشی صورتحال کو مسلسل چیلنجز کا سامنا ہے۔ مزید برآں، بڑھتے ہوئے جغرافیائی سیاسی تناؤ کی وجہ سے عالمی فریٹ چارجز میں اضافہ ہوا ہے، جس سے عالمی تجارت اور اجناس کی قیمتوں کو خطرات لاحق ہیں۔

29 مارچ 2024 تک اسٹیٹ بینک پاکستان کے ہاں موجود خالص لیکویڈ زرمبادلہ کے ذخائر تقریباً 8.04 بلین امریکی ڈالر تھے۔ مدت کے دوران، SBP نے ٹی بل کی انٹیس (19) نیلامیوں کا انعقاد کیا، جس سے 18.01 ٹریلین روپے ہدف کے مقابلہ کل 17.70 ٹریلین روپے کی وصولی ہوئی۔ ٹی بلز کی شرح منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کے لئے بالترتیب %0.93، %1.33 اور %2.20 تک کمی ہوئی۔ اسی طرح، 3 سالہ، 5 سالہ اور 10 سالہ مدت کے لئے PIB شرح منافع میں %2.73، %0.51 اور %1.10 تک کمی ہوئی۔ PIB کی نو (9) نیلامیاں ہوئیں جس سے تقریباً 1,256 بلین روپے کی رقم وصول ہوئی۔

NIGSP-III کی شریعہ کمپلائنٹ انکم فنڈ کے طور پر درجہ بندی کی گئی ہے اور اسے PACRA کی طرف سے 'AA(f)' کی مستحکم ریٹنگ دی گئی ہے۔ فنڈ کا مقصد شریعت کے مطابق گورنمنٹ سیکورٹیز میں بنیادی طور پر سرمایہ کاری کر کے سرمایہ کاروں کو متاثر کن منافع فراہم کرنا ہے۔

NBP گورنمنٹ اسلامک گورنمنٹ سیکورٹیز پلان III 19 جنوری 2024 کا آغاز ہوا اور 31 مارچ 2024 کو 627 ملین روپے پر بند ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے پونٹ کی قیمت اپنے آغاز کے بعد سے 9.8836 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2024 کو 10.2773 روپے ہو گئی، لہذا اسی مدت کے دوران بیچ مارک منافع %19.4 کے مقابلے میں %20.2 کا منافع ظاہر کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 13.99 بلین روپے کی مجموعی آمدنی کمائی۔ 0.77 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 13.22 بلین روپے ہے۔ 31 مارچ 2024 کو NIGSP-III کی ایسٹیلیوکیشن درج ذیل ہے:





آمدنی کی تقسیم

میٹجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2024 کو ختم ہونے والی سہ ماہی کے لئے اوپننگ ex-NAV کا 1.18% (بنیادی قدر کا 1.18%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میٹجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔
بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنانڈ میجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 25 اپریل 2024ء

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2024

		(Un-audited)	
		NBP Islamic Government Securities Plan-III	
		March 31, 2024	
		Rupees in '000	
	Note		
ASSETS			
Bank balances	4	99,822	
Investments	5	492,565	
Profit receivable	6	34,534	
Prepayments, deposits and other receivables	7	285	
Receivable against transfer sales		50	
Preliminary expenses and floatation costs	8	602	
Total assets		627,858	
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	9	1,101	
Payable to Central Depository Company of Pakistan Limited - Trustee	10	27	
Payable to the Securities and Exchange Commission of Pakistan	11	33	
Accrued expenses and other liabilities	12	110	
Total liabilities		1,271	
NET ASSETS		626,587	
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		626,587	
CONTINGENCIES AND COMMITMENTS	13		
NUMBER OF UNITS IN ISSUE		60,968,270	Number of units
NET ASSET VALUE PER UNIT	14	10.2773	Rupees

The annexed notes 1 to 21 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 PERIOD FROM JANUARY 19, 2024 TO MARCH 31, 2024

	Note	Rupees in '000
NBP Islamic Government Securities Plan-III		
For the period from January 19, 2024 to March 31, 2024		
INCOME		
Profit on bank balances		3,025
Income on sukuk certificates		11,412
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		(443)
Total income		13,994
EXPENSES		
Remuneration of NBP Fund Management Limited - Management Company		527
Sindh sales tax on remuneration of the Management Company		69
Remuneration of Central Depository Company of Pakistan Limited - Trustee		38
Sindh sales tax on remuneration of the Trustee		5
Annual fee of the Securities and Exchange Commission of Pakistan		53
Amortisation of preliminary expenses and floatation costs		8
Auditors' remuneration		53
Legal and professional charges		4
Listing fee		3
Shariah advisor fee		2
Settlement and bank charges		2
Securities Transaction Cost		7
Printing expenses		1
Rating fee		4
Total expenses		776
Net income for the period before taxation		13,218
Taxation	15	-
Net income for the period after taxation		13,218
Earnings per unit	16	
Allocation of net income for the period		
- Net income for the period after taxation		13,218
- Income already paid on units redeemed		(883)
		12,335
Accounting income available for distribution:		
- Relating to capital gains		-
- Excluding capital gains		12,335
		12,335

The annexed notes 1 to 21 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 PERIOD FROM JANUARY 19, 2024 TO MARCH 31, 2024

NBP Islamic Government Securities Plan - III
For the period from January 19, 2024 to March 31, 2024
Rupees in '000
13,218
-
<u>13,218</u>

Net income for the period after taxation

13,218

Other comprehensive income for the period

-

Total comprehensive income for the period

13,218

The annexed notes 1 to 21 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 PERIOD FROM JANUARY 19, 2024 TO MARCH 31, 2024

NBP Islamic Government Securities Plan -III		
For the period from January 19, 2024 to March 31, 2024		
Capital value	Undistributed income	Total

----- Rupees in '000 -----

Issuance of 69,674,304 units			
- Capital value	696,741	-	696,741
- Element of income	6,729	-	6,729
Total proceeds on issuance of units	703,470	-	703,470
Redemption of 8,706,034 units			
- Capital value	(87,061)	-	(87,061)
- Element of loss	(144)	(883)	(1,027)
Total payments on redemption of units	(87,205)	(883)	(88,088)
Total comprehensive income for the period	-	13,218	13,218
Interim Cash distribution during the period (Declared on 07 Feb, 2024 @0.1178 per unit)	(1,352)	(661)	(2,013)
Net assets at end of the period	614,913	11,674	626,587

Accounting income available for distribution:

- Relating to capital gains	-
- Excluding capital gains	12,335
	12,335

Interim distributions during the period (661)

Undistributed income carried forward **11,674**

Undistributed income carried forward:

- Realised income	12,117
- Unrealised income	(443)
	11,674

(Rupees)

Net assets value per unit at end of the period 10.2773

The annexed notes 1 to 21 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 PERIOD FROM JANUARY 19, 2024 TO MARCH 31, 2024

	Note	Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		13,218
Adjustments		
Profit on bank balances		(3,025)
Income on sukuk certificates		(11,412)
Amortisation of preliminary expenses and floatation costs		8
		(14,429)
(Increase) / Decrease in assets		
Prepayments, deposits and other receivables		(285)
Investments - net		(492,565)
Preliminary expenses and floatation costs		(610)
		(493,460)
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - Management company		1,101
Payable to Central Depository Company of Pakistan Limited - Trustee		27
Payable to the Securities and Exchange Commission of Pakistan		33
Accrued expenses and other liabilities		110
		1,271
Profit received on bank balances and Sukuk Certificates		(20,097)
Net cash flows used in operating activities		(513,497)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units		702,068
Cash dividend		(661)
Amount paid against redemption of units		(88,088)
Net cash flows generated from financing activities		613,319
Net increase in cash and cash equivalents during the period		99,822
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	4	99,822

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM JANUARY 19, 2024 TO MARCH 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP ISLAMIC GOVERNMENT SECURITIES FUND - I (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 28, 2023.
- 1.2 The Fund is required to be registered under the Sindh Trusts Act, 2020 (the Sindh Trust Act). Accordingly, on July 11, 2023 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company by the SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.4 The Fund has been categorised as an open ended Shariah compliant income fund 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 January 22, 2024 and are transferable and redeemable by surrendering them to the Fund.
- 1.5 The objective of NBP Islamic Government Securities Plan – III is to provide investors with attractive returns, by investing primarily in Shariah Compliant Government Securities
- 1.6 The Pakistan Credit Rating Agency (PACRA) has reaffirmed an Asset Manager Rating of AM1 as at June 22, 2023 (June 22, 2022: AM1) to the Management Company. The Fund has been rated AA(f) as on March 13, 2024.
- 1.7 The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current period:

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on January 19, 2024. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective:

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention except investments that have been carried at fair values.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

These comprise balances with banks in profit and loss sharing and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.2.2 Classification and subsequent measurement

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as puttable instruments and are mandatorily required to be classified as financial assets 'at fair value through profit or loss'.

3.2.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

Financial assets 'at fair value through profit or loss'

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

3.2.4 Impairment

The Fund assesses on a forward-looking basis the expected credit loss (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.5 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has been placed on the Management Company's website as required under the SECP's circular.

3.2.6 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the income statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'statement of assets and liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

3.7 Issue and redemption of units

Units issued are recorded at the offer price of each plan, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units of each plan for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes a portion of income already paid on units redeemed during the period.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets' at fair value through profit or loss are recorded in the accounting period in which these arise.
- Profit on balances with banks is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.

3.11 Expenses

All expenses including remuneration of the Management Company and the Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.12 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 ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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.

3.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the period before taxation of the Fund by the weighted average number of units outstanding during the period. The determination of earning per unit is not practicable as disclosed in note 16.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

		(Un-audited)
		March 31, 2024
		Rupees in '000
4	BANK BALANCES	
	Savings accounts	99,514
	Current accounts	308
		99,822
5	INVESTMENTS	
	GIS & GoP Ijarah Sukuks	492,565
		492,565

5.1 GIS & GoP Ijarah Sukuks

Name of the security	Profit payments	Issue date	Maturity date	Profit rate	Purchased during the period	Sold during the period	As at March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised appreciation as at March 31, 2024	Percentage in relation to	
					----- Number of certificates -----					(Rupees in '000)		Total market value of investments
											----- % -----	
GIS 01y 14-MAR-24 14-MAR-25 *	-	Mar 14, 2024	Mar 14, 2025	20.99%	5,000	-	5,000	4,188	4,196	8	0.85%	0.67%
GIS VRR-37 07-AUG-23 07-AUG-24 **	Semi-annually	Aug 07, 2023	Aug 07, 2024	21.24%	1,000	-	1,000	100,050	100,020	(30)	20.31%	15.96%
GIS-VRR 1y 26-JUN-23 26-JUN-24 **	Semi-annually	JUN 26, 2023	JUN 26, 2024	22.01%	1,000	-	1,000	100,250	100,020	(230)	20.31%	15.96%
GIS-VRR-40 3y 04-DEC-23 04-DEC-26 **	Semi-annually	DEC 04, 2023	DEC 04, 2026	21.12%	700	-	700	70,008	69,741	(267)	14.16%	11.13%
GIS-VRR-41 5y 04-DEC-23 04-DEC-28 **	Semi-annually	DEC 04, 2023	DEC 04, 2028	21.23%	950	-	950	95,013	95,067	54	19.30%	15.17%
GOPIS 1y FRR 09-OCT-23 09-OCT-24 **	Semi-annually	OCT 09, 2023	OCT 09, 2024	22.49%	650	-	650	65,488	65,481	(7)	13.29%	10.45%
GOPIS 1y VRR 17-APR-23 17-APR-24 **	Semi-annually	APR 17, 2023	APR 17, 2024	23.60%	330	-	330	33,007	33,026	19	6.70%	5.27%
GOPIS 1y VRR 22-MAY-23 22-MAY-24 **	Semi-annually	MAY 22, 2023	MAY 22, 2024	22.21%	250	-	250	25,004	25,014	10	5.08%	3.99%
Total as at March 31, 2024								493,008	492,565	(443)	100.00%	78.61%

- 5.1.1 * The nominal value of sukuk is Rs 5,000 each.
** The nominal value of these sukuks is Rs 100,000 each.

		(Un-audited)
		March 31, 2024
		Rupees in '000
6	PROFIT RECEIVABLE	
	Profit receivable on bank balances	1,626
	Profit receivable on investments	32,908
		34,534
7	PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES	
	Annual listing fee	17
	Security deposit to Central Depository Company of Pakistan Limited	100
	Rating Fee	168
		285
8	PRELIMINARY EXPENSES AND FLOATATION COSTS	
	Preliminary expenses and floatation costs	610
	Less: amortisation during the period	8
	Closing balance	602

- 8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over the life of Fund in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

		(Un-audited)
		March 31, 2024
		Rupees in '000
9	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note
	Remuneration of the Management Company	9.1 330
	Sindh sales tax on remuneration of the Management Company	9.2 43
	Sales load payable to Management Company	87
	Sindh sales tax payable on sales load	11
	Preliminary expenses and floatation costs payable	610
	Other payable to Management Company	20
		1,101

- 9.1 During the period, the Management Company has charged its remuneration at the rate of 0.75% per annum of the average annual net assets. The remuneration is payable to the Management Company monthly in arrears.

- 9.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

		(Un-audited)
		March 31, 2024
		Rupees in '000
10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note
	Remuneration payable to the Trustee	10.1 24
	Sindh sales tax payable on Trustee remuneration	10.2 3
		27

- 10.1 The Trustee is entitled to monthly remuneration of 0.055% per annum of average net assets for services rendered to the Fund under the provisions of the Trust Deed.

- 10.2 Sindh sales tax at the rate of 13 % is charged on Trustee remuneration.

		(Un-audited)
		March 31, 2024
		Rupees in '000
11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	
	Annual fee payable	33

- 11.1 In accordance with SRO No. 685(I)/2019 dated June 28, 2019 issued by the SECP, the Fund has charged the SECP fee at the rate of 0.075% of the average annual net assets of the Fund.

		(Un-audited)
		March 31, 2024
		Rupees in '000
12	ACCRUED EXPENSES AND OTHER LIABILITIES	
	Auditors' remuneration	53
	Shari'ah advisory fee	2
	Legal fee	5
	Withholding tax payable	43
	Payable against printing charges	-
	Brokerage Payable	6
	Bank charges payable	1
		110

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024.

14 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the 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 end.

15 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16 EARNINGS PER UNIT

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

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2024 is 1.08% which includes 0.18% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant income scheme'.

18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

18.1 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, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, Funds under management of the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

18.2 Transactions with connected persons essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

18.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the Trust Deed and Offering Document.

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

(Un-audited)

**For the period
from January
19, 2024 to
March 31, 2024**

Rupees in '000'

NBP Fund Management Limited - Management Company

Remuneration of NBP Fund Management Limited - Management Company	527
Sindh sales tax on remuneration of the Management Company	69
Amortisation of preliminary expenses and floatation costs	8
Sales load payable to Management Company	87

Central Depository Company of Pakistan Limited - Trustee

Remuneration of Central Depository Company of Pakistan Limited - Trustee	38
Sindh sales tax on remuneration of the Trustee	5

Portfolio Managed by Management Company

Units issued - 21,588,148	218,651
Units Redeemed - 266,659	2,700

**SHAN FOODS (PVT) LTD- EMPLOYEES PROVIDENT FUND-
unit holder with more than 10% holding**

Units issued - 8,335,980	84,234
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(Un-audited)

March 31, 2024

Rupees in '000'

18.5 Amounts / balances outstanding as at period end are as follows:

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	330
Sindh sales tax on remuneration of the Management Company	43
Sales load payable to Management Company	87
Sindh sales tax payable on sales load	11
Preliminary expenses and floatation costs payable	610
Other payable to Management Company	20

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee	24
Sindh sales tax payable on Trustee remuneration	3

Portfolio Managed by Management Company

Units outstanding - 21,321,489	219,126
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**SHAN FOODS (PVT) LTD- EMPLOYEES PROVIDENT FUND-
unit holder with more than 10% holding**

Units outstanding - 8,335,980	85,671
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19 FAIR VALUE MEASUREMENT

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 tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

19.1 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 that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

As at March 31, 2024, the Fund held the following financial instruments measured at fair values:

----- Unaudited -----			
----- As at March 31, 2024 -----			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

ASSETS

Investments - financial assets

'at fair value through profit or loss'

- GIS & GoP Ijarah Sukuks

4,196	488,369	-	492,565
4,196	488,369	-	492,565

* 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.

20 GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

21 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on April 25, 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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