

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگز

NBP Fund Management Limited



NBP ISLAMIC MONEY MARKET FUND

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."

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION	14

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

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Bank Alfalah 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.nbpffunds.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 Money Market Fund (NIMMF)** for the period ended March 31, 2024.

Fund's Performance

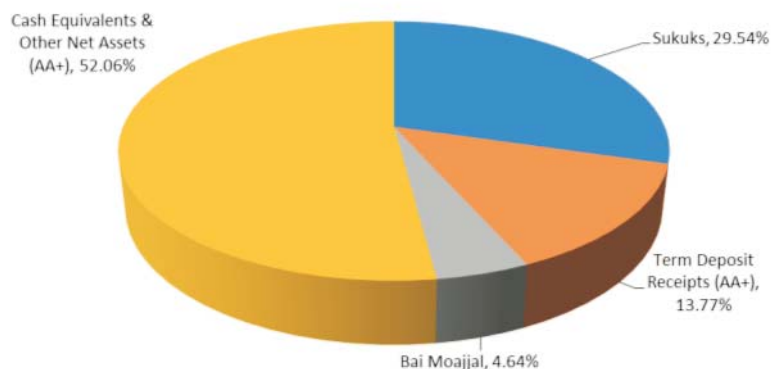
The market witnessed issuance of a decent size of short-term corporate sukuks to meet the increasing funding need for working capital/bridge financing for fixed capital investments. During 9MFY24, the State Bank of Pakistan (SBP) convened six Monetary Policy Committee (MPC) meetings, maintaining the 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 due to lack of fiscal discipline. Additionally, escalating geopolitical tensions have led to increased global freight charges, posing threats to global trade and commodity prices

NIMMF is categorized as Shariah Compliant Money Market Fund and has been awarded stability rating of 'AA (f)' by PACRA. The Fund aims to consistently provide better return than the profit rates offered by Islamic Banks/Islamic windows of commercial banks. Minimum eligible rating is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days while also providing easy liquidity along with a high-quality credit profile.

The size of NBP Islamic Money Market Fund has increased from Rs. 14,665 million to Rs. 17,140 million during the period (an increase of 16.9%). During the period, the unit price of the Fund has increased from Rs. 10.1322 on June 30, 2023 to Rs. 11.7398 on March 31, 2024, thus showing return of 21.1% as compared to the benchmark return of 10.0% for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 2535.79 million during the period. After deducting total expenses of Rs. 135.26 million, the net income is Rs. 2400.53 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIMMF.



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 بصد مسرت 31 مارچ 2024ء کو ختم ہونے والی نو ماہی کے لئے NAFA اسلامک منی مارکیٹ فنڈ (NIMMF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

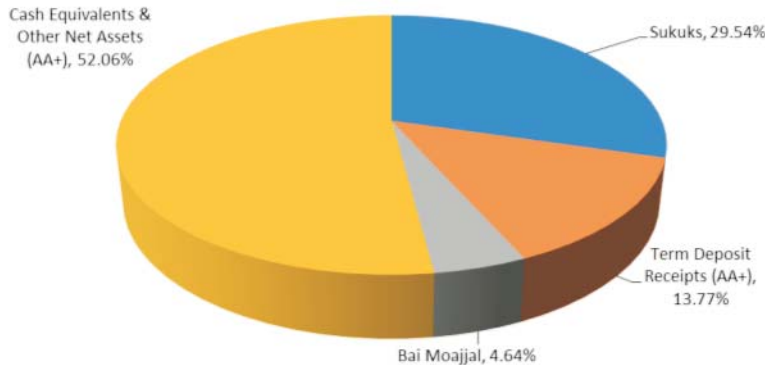
مارکیٹ نے فیکسڈ کیپیٹل انویسٹمنٹ اور روٹنگ کیپیٹل کی بڑھتی ہوئی فنڈنگ کی ضرورت کو پورا کرنے کے لیے کارپوریٹ سیکورٹ کے معقول سائز کا اجراء دیکھا۔ مالی سال 24 کی نو ماہی کے دوران، بینک دولت پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چھ اجلاس منعقد کئے، پالیسی ریٹ %22 پر برقرار رکھا۔ یہ فیصلہ افراط زر میں حالیہ کمی کی روشنی میں کیا گیا تھا، اگرچہ کمیٹی درپیش خطرات اور مشکلات کے باعث محتاط رہی۔ افراط زر کے نقطہ نظر میں کچھ بہتری کے باوجود، جو زیادہ رہی، مانیٹری پالیسی کے لیے ایک محتاط اپروچ کی ضرورت پر زور دیا گیا، خاص طور پر زیر انتظام 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۔

NIMMF کی درجہ بندی بطور شریعہ کیپٹال منی مارکیٹ فنڈ کی گئی ہے۔ اس فنڈ کا مقصد اسلامی بینکوں / تجارتی بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے میں تو اتار سے بہتر منافع فراہم کرنا ہے۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد مہینہ پورٹی والی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی مہینہ پورٹی کی نئی تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی، جبکہ اعلیٰ کوالٹی پروفائل کے ساتھ آسان لیکویڈیٹی بھی فراہم کرتی ہے۔

موجودہ مدت کے دوران NBP اسلامک منی مارکیٹ فنڈ کا سائز 14,665 ملین روپے سب سے 17,140 ملین روپے ہو گیا ہے یعنی %16.9 کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے پینٹ کی قیمت 30 جون 2023 کو 10.1322 روپے (EX-Div) سے بڑھ کر 31 مارچ 2024 کو 11.7398 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک %10.0 کے مقابلے میں %21.1 منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 2535.79 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 135.26 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 2400.53 ملین روپے ہے۔ درج ذیل چارٹ NIMMF کی ایسٹیلیویشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ اینڈریج 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 سٹریٹیجی 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: 25 اپریل 2024ء
مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT March 31, 2024

	Note	Un-Audited 31-Mar-24	Audited 30-Jun-23
(Rupees in '000)			
ASSETS			
Bank balances		8,560,373	7,703,268
Investments	5	8,217,764	6,899,265
Preliminary and floatation costs		-	-
Deposits, prepayments and other receivables		226	322
Receivables against sale of units		7,239	53,167
Profit Accrued		434,550	250,651
Total assets		17,220,152	14,906,673
LIABILITIES			
Payable to Management Company		33,494	29,750
Payable to Trustee		937	715
Payable to the Securities and Exchange Commission of Pakistan		1,105	2,052
Payable against redemption of units		23,734	120,476
Accrued expenses and other liabilities		20,504	88,742
Total liabilities		79,774	241,735
NET ASSETS		17,140,378	14,664,938
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		17,140,378	14,664,938
CONTINGENCIES AND COMMITMENTS	6	-	-
Number of units in issue		1,460,028,060	1,447,364,903
NET ASSET VALUE PER UNIT		11.7398	10.1322

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

Note	Nine Months Ended		Quarter Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in '000)			
INCOME				
Return / profit on:				
- Bank Balances	1,210,291	699,375	292,339	321,170
- Term deposits	460,312	165,801	135,074	106,211
- Certificate of Investment	-	3,215	-	-
- Sukuk	486,494	116,134	241,985	46,527
- Bai Maujial	75,907	39,931	41,722	34,454
- Commercial paper	-	-	-	(813)
- Certificate of Musharka	303,815	-	109,257	-
	2,536,819	1,024,456	820,377	507,549
(Loss) / Gain on sale of investment at fair value through profit and loss	(80)	460	-	460
Net Unrealized (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit and loss	(948)		182	
Total income	2,535,791	1,024,916	820,559	508,009
EXPENSES				
Remuneration of the Management Company	24,186	9,733	7,754	4,836
Sindh sales tax on remuneration of the Management Company	3,144	1,265	1,008	628
Remuneration to the Trustee	6,744	3,709	2,187	1,758
Sindh Sales Tax on remuneration of the Trustee	877	482	285	228
Reimbursement of accounting and operational charges to the Management Company	15,245	8,429	4,889	3,995
Reimbursement of selling and marketing expense to the Management Company	73,271	34,543	22,734	16,807
Annual fee - Securities and Exchange Commission of Pakistan	9,197	1,349	2,983	640
Auditors' remuneration	589	1,007	285	450
Shariah advisory fee	1,205	776	39	198
Security transaction fee	65	72	7	46
Settlement & Bank charges	200	710	12	68
Annual listing fee	21	21	7	7
Fund rating charges	214	187	41	62
Legal and professional charges	113	112	38	37
Amortization of preliminary expenses and floatation costs	134	140	134	29
Printing charges	55	55	18	18
Total Expenses	135,259	62,590	42,420	29,807
Net Income from operating activities	2,400,532	962,326	778,139	478,202
Reversal of / (Provision against) Sindh Workers' Welfare Fund	-	-	-	-
Net Income for the period before taxation	2,400,532	962,326	778,139	478,202
Taxation	-	-	-	-
Net Income for the period after taxation	2,400,532	962,326	778,139	478,202
Allocation of Net income for the period:				
Net income for the period	2,400,532	962,326	778,139	478,202
Income already paid on units redeemed	(819,654)	(300,368)	-	(212,820)
	1,580,878	661,958	778,139	265,382
Accounting Income available for distribution:				
- Relating to capital gains	(80)	460	-	460
- Excluding capital gains	1,580,958	661,498	778,139	265,382
	1,580,878	661,958	778,139	265,842

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	Nine Months Ended		Quarter Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in '000)			
Net Income for the period after taxation	2,400,532	962,326	778,139	478,202
Other comprehensive income	-	-	-	-
Total comprehensive Income for the period	<u>2,400,532</u>	<u>962,326</u>	<u>778,139</u>	<u>478,202</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	March 31, 2024			March 31, 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	14,562,854	102,084	14,664,938	6,057,492	29,446	6,086,938
Issue of 2,644,005,812 units (March 31, 2023: 3,101,271,346 units)						
- Capital value	26,789,553	-	26,789,553	31,249,651	-	31,249,651
- Element of income	2,062,937	-	2,062,937	2,390,866	-	2,390,866
Total proceeds on issuance of units	28,852,490	-	28,852,490	33,640,517	-	33,640,517
Redemption of 2,631,345,877 units (March 31, 2023: 2,403,933,713 units)						
- Capital value	(26,661,333)	-	(26,661,333)	(24,222,998)	-	(24,222,998)
- Element of loss	(1,296,595)	(819,654)	(2,116,249)	(1,597,603)	(300,368)	(1,897,971)
Total payments on redemption of units	(27,957,928)	(819,654)	(28,777,582)	(25,820,601)	(300,368)	(26,120,969)
Total comprehensive income for the period	-	2,400,532	2,400,532	-	962,326	962,326
Net assets at end of the period	15,457,416	1,682,962	17,140,378	13,877,408	691,404	14,568,812
Undistributed income brought forward						
- Realised		102,084			29,446	
- Unrealised		-			-	
		102,084			29,446	
Accounting income available for distribution:						
- Relating to capital gains		(80)			460	
- Excluding capital gains		1,580,958			661,498	
		1,580,878			661,958	
Undistributed income carried forward		1,682,962			691,404	
Undistributed income carried forward						
- Realised		-			691,404	
- Unrealised		-			-	
		1,682,962			691,404	
			-- (Rupees) --			-- (Rupees) --
Net assets value per unit at beginning of the period			10.1322			10.0764
Net assets value per unit at end of the period			11.7398			11.1946

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income for the period before taxation	2,400,532	962,326
Adjustments		
Amortization of preliminary expenses and floatation costs	134	140
	<u>2,400,666</u>	<u>962,466</u>
(Increase) in assets		
Investments	(1,318,499)	(4,200,395)
Profit Accrued	(183,899)	(290,683)
Deposits, prepayments and other receivables	(38)	(117)
	<u>(1,502,436)</u>	<u>(4,491,195)</u>
Increase in liabilities		
Payable to Management Company	3,744	18,509
Payable to Trustee	222	496
Payable to the Securities and Exchange Commission of Pakistan	(947)	269
Accrued expenses and other liabilities	(68,238)	(1,152)
	<u>(65,219)</u>	<u>18,122</u>
Net cash generated from operating activities	<u>833,011</u>	<u>(3,510,607)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	28,898,418	33,712,304
Net payments on redemption of units	(28,874,324)	(26,157,592)
Net cash generated / (used in) from financing activities	<u>24,094</u>	<u>7,554,712</u>
Cash and cash equivalents at the Beginning of the period	7,703,268	4,532,900
Cash and cash equivalents at the end of the period	<u><u>8,560,373</u></u>	<u><u>8,577,005</u></u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Money Market 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 January 09, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 07, 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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 Management Company is also the member of Mutual Fund Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and classified as sharia compliant "money market scheme" by the Management Company and is listed on the Pakistan Stock Exchange Limited. Units 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.

During the year ended 30 June, 2021 The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund 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 objective of the Fund is to provide competitive return with maximum possible capital preservation by investing in low risk and liquid Shariah Compliant authorised instruments.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and has assigned stability rating AA (f) to the fund.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan limited (CDC) as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2024.

These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.

4 BANK BALANCES

		(Un-audited) As at March 31, 2024	(Audited) As at June 30, 2023
	Note	(Rupees in '000)	
Current Accounts		112,409	145,678
Savings Accounts	4.1	<u>8,464,596</u>	<u>7,557,590</u>
		<u>8,577,005</u>	<u>7,703,268</u>

4.1 These savings accounts carry mark-up at rates ranging from 10% to 21% per annum (June 30, 2023 10.00% to 21.5% per annum).

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Note	-----Rupees in '000 -----	
5 INVESTMENTS			
Fair value through profit or loss			
Certificate of Musharka	5.1	-	2,100,000
Sukuk	5.2	5,062,764	1,768,000
Term deposits receipts	5.3	2,360,000	2,500,000
Bai Maujjal	5.4	<u>794,999</u>	<u>531,265.00</u>
		<u>8,217,764</u>	<u>6,899,265</u>

5.1 Certificate of Musharka

Name of the investee company	Note	Face Value				Carrying value as at March 31, 2024
		As at July 01, 2023	Purchases during the period	Sales / matured during the period	As at March 31, 2024	
----- Rupees in '000 -----						
UBL Ameen Islamic Banking		2,100,000	-	2,100,000	-	-
UBL Ameen Islamic Banking		-	1,000,000	1,000,000	-	-
Meezan Bank		-	2,650,000	2,650,000	-	-
Meezan Bank		-	1,500,000	1,500,000	-	-
Meezan Bank		-	2,300,000	2,300,000	-	-
UBL Ameen Islamic Banking		-	1,500,000	1,500,000	-	-
Faysal Bank Ltd		-	1,600,000	1,600,000	-	-
Faysal Bank Ltd		-	950,000	950,000	-	-
Meezan Bank		-	950,000	950,000	-	-
UBL Ameen Islamic Banking		-	1,500,000	1,500,000	-	-
UBL Ameen Islamic Banking		-	500,000	500,000	-	-
UBL Ameen Islamic Banking		-	1,300,000	1,300,000	-	-
UBL Ameen Islamic Banking		-	1,250,000	1,250,000	-	-
UBL Ameen Islamic Banking		-	500,000	500,000	-	-
UBL Ameen Islamic Banking		-	1,550,000	1,550,000	-	-
UBL Ameen Islamic Banking		-	500,000	500,000	-	-
UBL Ameen Islamic Banking		-	1,500,000	1,500,000	-	-
UBL Ameen Islamic Banking		-	500,000	500,000	-	-
UBL Ameen Islamic Banking		-	2,000,000	2,000,000	-	-
UBL Ameen Islamic Banking		-	2,000,000	2,000,000	-	-
Meezan Bank		-	2,000,000	2,000,000	-	-
UBL Ameen Islamic Banking		-	2,000,000	2,000,000	-	-
Meezan Bank		-	1,200,000	1,200,000	-	-
Meezan Bank		-	900,000	900,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,900,000	1,900,000	-	-
UBL Ameen Islamic Banking		-	2,500,000	2,500,000	-	-
		2,100,000	36,050,000	38,150,000	-	-
						-
						-

5.2 Sukuk

Name of the investee company	Number of certificates				Investment as a percentage of		
	As at July 01, 2023	Purchases during the year	Disposals / matured during the year	As at March 31, 2024	Market value as at March 31, 2024	Net assets	Market value of total investments
					Rupees '000'	-----	% -----
China Power Hub Generation Co. (Pvt.)	350	-	350	-	-	0.00%	0.00%
K-Electric Limited	498	-	498	-	-	0.00%	0.00%
K-Electric Limited	470	-	470	-	-	0.00%	0.00%
K-Electric Limited	450	-	450	-	-	0.00%	0.00%
K-Electric Limited	-	750	-	750	750,000	5.15%	13.07%
Lucky Electric Power Company Limited	-	400	-	400	400,000	2.75%	6.97%
K-Electric Limited	-	150	-	150	150,000	1.03%	2.61%
The Hub Power Company Pakistan	-	500	-	500	500,000	3.43%	8.71%
Airlink Communication Ltd	-	444	-	444	444,000	3.05%	7.74%
		450		450	450,000	3.09%	7.84%
					2,694,000	18.49%	31.36%
Carrying value as at March 31, 2024					2,694,000		

Ijara Sukuk

Name of the investee company	Number of certificates				Market value as at March 31, 2024	Investment as a percentage of	
	As at July 01, 2023	Purchases during the year	Disposals / matured during the year	As at March 31, 2024		Net assets	Market value of total investments
					Rupees '000'	-----	% -----
GOPIS VRR	-	80000	-	80,000	400,320	2.90%	6.08%
GOPIS-01	-	363925	-	363,925	1,618,374	11.33%	23.77%
GIS-VRR	-	70,000	-	70,000	350,070	11.33%	23.77%
					2,368,764		
Carrying value as at March 31, 2024					2,280,041		

5.3 Term deposit receipts

Name of the investee company	Note	Carrying Value				Carrying Value as at March 31, 2024
		As at July 01, 2023	Purchases during the period	Sales / matured during the period	As at March 31, 2024	
----- Rupees in '000 -----						
Askari Bank Limited - Islamic Banking		500,000		500,000	-	-
Askari Bank Limited - Islamic Banking		500,000		500,000	-	-
Askari Bank Limited - Islamic Banking		200,000		200,000	-	-
Bank Alfalah Ltd- Islamic Banking		1,000,000		1,000,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,400,000	1,400,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,400,000	1,400,000	-	-
Allied Bank Limited		-	1,250,000	1,250,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,400,000	1,400,000	-	-
Faysal Bank Ltd.		-	800,000	800,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,900,000	1,900,000	-	-
Faysal Bank Ltd.		-	800,000	800,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,900,000	1,900,000	-	-
Faysal Bank Ltd.		-	800,000	800,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,900,000	1,900,000	-	-
Faysal Bank Ltd.		-	880,000	880,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,265,000	1,265,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	635,000	635,000	-	-
Faysal Bank Ltd.		-	880,000	880,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,900,000	1,900,000	-	-
Faysal Bank Ltd.		-	880,000	880,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,520,000	1,520,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	380,000	380,000	-	-
Bank Alfalah Ltd- Islamic Banking		-	1,900,000	1,900,000	-	-
Faysal Bank Ltd.		-	1,000,000		1,000,000	
Bank Alfalah Ltd- Islamic Banking		-	1,360,000		1,360,000	
					-	
Long term					-	
Faysal Bank Ltd.		300000		300000	-	
		<u>2,500,000</u>	<u>26,150,000</u>	<u>26,290,000</u>	<u>2,360,000</u>	<u>-</u>
Face value as at March 31, 2024					<u><u>2,360,000</u></u>	

5.4 Bai Muajjal

Name of the investee company	Note	Carrying Value				Carrying Value as at March 31, 2024
		As at July 01, 2023	Purchases during the period	Sales / matured during the period	As at March 31, 2024	
----- Rupees in '000 -----						
Pak Brunei Investment Company Ltd		531,265	-	531,265	-	
Pak Oman Investment Company Ltd		-	423,606		423,606	423,606
Pak Oman Investment Company Ltd		-	371,393		371,393	371,393
		-	794,999	531,265	794,999	794,999

Pak-Oman have face value of RS. 794,999,233 as at March 31, 2024

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at March 31, 2024 and as at June 30, 2023.

7 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.15% per annum of the net assets of the Fund.

8 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 has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements during the year.

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.

9 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 1.10% (2023: 0.93%) including 0.10% (2023: 0.05%) representing government levies on collective investment scheme such as Sindh Sales Tax on management & trustee remuneration and Securities and Exchange Commission of Pakistan fee for the period. However, as per SECP SRO 639 (I)/2019 date June 30, 2019, total expense ratio has been limited to 2% for Shariah Compliant Money Market Funds.

10 TRANSACTIONS WITH CONNECTED PERSONS

- 10.1** Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 10.2** 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.
- 10.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 10.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

	March 31, 2024	March 31, 2023
10.5 Details of the transactions with connected persons are as follows:	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	24,186	9,733
Sindh sales tax on remuneration of the Management Company	3,144	1,265
Reimbursement of accounting and operational charges to the Management Company	15,245	8,429
Reimbursement of selling and marketing expense to the Management Company	73,271	34,543
Sales load and transfer load inclusive of Sindh Sales Tax	9,220	5,817
ADC generated inclusive of Sindh Sales Tax	1,480	10
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	6,744	3,709
Sindh Sales Tax on remuneration of the Trustee	877	482
CDC Trustee NAFA Islamic Capital Preservation Plan - I		
Units issued during the period: Nil units (March 31, 2023: 1,660,426 units)	-	17,783
Units redeemed during the period: Nil units (March 31, 2023: 1,687,311 units)	-	17,899
CDC Trustee NAFA Islamic Capital Preservation Plan - II		
Units issued during the period: Nil units (March 31, 2023: 662,721 units)	-	7,149
Units redeemed during the period: Nil units (March 31, 2023: 1,252,876 units)	-	13,460
CDC Trustee NAFA Islamic Capital Preservation Plan - III		
Units issued during the period: Nil units (March 31, 2023: 502,211 units)	-	5,417
Units redeemed during the period: Nil units (March 31, 2023: 1,126,606 units)	-	11,978

	March 31, 2024	March 31, 2023
	(Rupees in '000)	
CDC Trustee NAFA Islamic Capital Preservation Plan - IV		
Units issued during the period: Nil units (March 31, 2023: 304,001 units)	-	3,200
Units redeemed during the period: Nil units (March 31, 2023: 790,108 units)	-	8,106
CDC Trustee NAFA Islamic Capital Preservation Plan - V		
Units issued during the period: Nil units (March 31, 2023: 115,163 units)	-	1,243
Units redeemed during the period: Nil units (March 31, 2023: 473,279 units)	-	4,980
CDC Trustee NAFA Islamic Capital Preservation Plan - VI		
Units issued during the period: Nil units (March 31, 2023: 3,867,336 units)	-	41,365
Units redeemed during the period: 1,910,269 units (March 31, 2023: 2,074,115 units)	20,059	22,554
Employees of the Management Company		
Units Issued / Trasferred In: 53,514,515 units (March 31, 2023: 29,278,966 units)	590,055	312,686
Units Redeemed / Transferred Out: 49,378,578 units (March 31, 2023: 24,889,448 units)	545,842	266,365
Portfolio Managed by the Manegement Company		
Units Issued / Trasferred In: 113,506,536 units (March 31, 2023: 88,192,180 units)	1,207,878	910,100
Units Redeemed / Transferred Out: 140,916,071 units (March 31, 2023: 67,479,952 units)	1,580,817	723,134
NBP FUND MANAGEMENT LIMITED - RELATED PARTY		
Units Issued / Trasferred In: 1,929 units (2023: Nil)	20	-
National Bank of Pakistan (parent company of the Management Company)		
Profit accrued	51	13
Fauji Fertilizers Company Limited (common director)		
Units Issued / Trasferred In: 796,463,685 units (March 31, 2023: 804,877,732 units)	8,598,802	8,845,094
Units Redeemed / Transferred Out: 649,435,019 units (March 31, 2023: 804,878,661 units)	6,973,311	8,921,194
Khalid Mehmood - CFO		
Units issued during the period: Nil units (March 31, 2023: 66,349 units)	-	700
Units Redeemed / Transferred Out: 9,773 units (March 31, 2023: 57,797 units)	114	616

10.6 Amounts outstanding as at period end	As at March 31, 2024 (Unaudited)	As at June 30, 2023 (Audited)
	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	2,759	2,222
Sindh Sales Tax on remuneration of the Management Company	359	289
Reimbursement of accounting and operational charges to the Management Company	4,889	4,398
Reimbursement of selling and marketing expense to the Management Company	22,734	21,462
Sales & transfer load including sindh sales tax	1,231	859
ADC Share charges payable	1,371	369
Other payable	151	151
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	810	633
Sindh sales tax on remuneration of the Trustee	105	82
CDC Charges	22	13
Security deposit	100	100
CDC Trustee NAFA Islamic Capital Preservation Plan - VI		
Investment held in the Fund: Nil units (June 30, 2023: 1,910,269 units)	-	19,355
Fauji Fertilizer Company Limited (common director)		
Investment held in the Fund: 147,028,665 units (June 30, 2023: Nil units)	1,726,087	-
Employees of the Management Company		
Investment held in the Fund: 12,349,650 Units (June 30, 2023: 8,188,579 Units)	144,982	82,968
NBP FUND MANAGEMENT LIMITED - RELATED PARTY		
Units held: 1,929 units (June 30, 2023: Nil)	23	
Khalid Mehmood - CFO		
Investment held in the Fund: Nil units (June 30, 2023: 9,773 units)	-	99
National Bank of Pakistan - Parent of the Management Company		
Bank Balances	923	19,347
Profit Receivable	51	-

	As at March 31, 2024 (Unaudited)	As at June 30, 2023 (Audited)
	(Rupees in '000)	
BankIslami of Pakistan Limited - (Common directorship with the Management Company)		
Bank Balances	36,518	-
Portfolio Managed by the Management Company		
Investment held in the Fund 15,442,407 units : (June 30, 2023: 45,237,438)	181,191	458,354
K-Electric Limited (Common Directorship with the Management Company)		
Short-term sukuk	900,000	1,418,000

* Current period transactions with these parties have not been disclosed as they did not remain connected person and related parties during the period.

** Prior period balances with these parties have not been disclosed as they were not connected person and related parties during the prior period.

11 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.

11.1 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;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on April 25, 2024 by the Board of directors of the Management Company.

12 GENERAL

12.1 Figures have been rounded off to the nearest thousand rupees.

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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