

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگز

NBP Fund Management Limited



NBP RIBA FREE SAVINGS 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."

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource & Remuneration Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

Al Baraka Islamic Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited
United Bank Limited

Auditors

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

Legal Advisor

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

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.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 Riba Free Savings Fund (NRFSF)** for the period ended March 31, 2024.

Fund's Performance

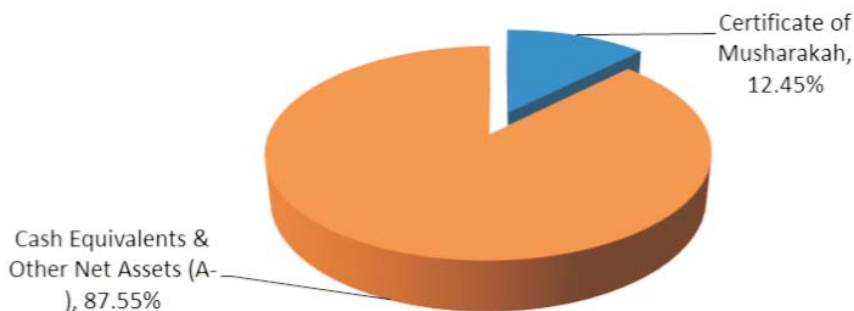
The market witnessed issuance of a decent size of short-term corporate sukuks to meet the increasing funding need for working capital/bridge financing for fixed capital investments. During 9MFY24, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings and maintained the policy rate at 22%, considering the recent decrease in inflation but also noting persisting risks and challenges. Despite the improvement in inflation outlook which remains elevated, underscoring the need for a careful approach to monetary policy - was offset by significant adjustment in administered energy prices, affecting 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. The MPC emphasized the importance of maintaining the current strict monetary policy stance alongside fiscal consolidation to achieve the medium-term inflation target. The net liquid foreign exchange reserves held with SBP as at 29-Mar-24 stands at around USD 8.04 billion.

NRFSF is an Islamic Income Scheme and has been awarded stability rating of 'A+ (f)' by PACRA, which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks/Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile.

The size of NBP Riba Free Savings Fund has decreased from Rs. 1,591 million to Rs. 1,556 million during the period (a decline of 2.2%). During the period, the unit price of the Fund has increased from Rs. 10.3201 on June 30, 2023 to Rs. 11.8643 on March 31, 2024, thus showing a return of 19.9% as compared to the benchmark return of 9.8% 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. 232.47 million during the period. After deducting total expenses of Rs. 28.06 million, the net income is Rs. 204.41 million. The asset allocation of NRFSF as on March 31, 2024 is as follows:



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date April 25, 2024
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2024ء کو ختم ہونے والی مدت کے لئے NBP ریفری سیونگز فنڈ (NRFSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مارکیٹ نے فیکسڈ کیپیٹل انویسٹمنٹ اور ورکنگ کیپیٹل کی بڑھتی ہوئی فنڈنگ کی ضرورت کو پورا کرنے کے لیے قلیل مدتی کارپوریٹ سکوک 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۔

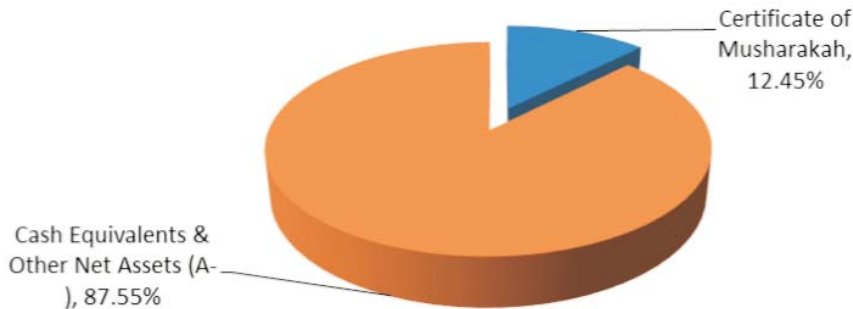
MPC نے بہتر زرعی نقطہ نظر، تیل کی عالمی قیمتوں میں اتار چڑھاؤ، اور مالی استحکام کی جانب جاری کوششوں سمیت مختلف عوامل پر غور کیا۔ تاہم، مالیاتی نظم و ضبط کے فقدان کی وجہ سے معاشی صورتحال کو مسلسل چیلنجز کا سامنا ہے۔ مزید برآں، بڑھتے ہوئے جغرافیائی سیاسی تناؤ کی وجہ سے عالمی فریٹ چارجز میں اضافہ ہوا ہے،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

وسط مدتی افراط زر کا ہدف حاصل کرنے کے لئے مالی استحکام کے ساتھ ساتھ موجودہ سخت مانیٹری پالیسی کے موقف کو برقرار رکھنے کی اہمیت کو تسلیم کرتے ہوئے MPC نے مسلسل نگرانی کی ضرورت پر زور دیا۔ 29 مارچ 2024 تک اسٹیٹ بینک پاکستان کے ہاں موجود خالص لیکویڈز ریمبادلہ کے ذخائر تقریباً 8.04 بلین امریکی ڈالر تھے۔

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

NBP ریفری سیونگز فنڈ کا سائز اس مدت کے دوران 1,591 ملین روپے سے کم ہو کر 1,556 ملین روپے ہو گیا ہے یعنی 2.2% کی کمی ہوئی ہے۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2023 کو 10.3201 روپے سے بڑھ کر 31 مارچ 2024ء کو 11.86.43 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اسپنچ مارک منافع 9.8% کے مقابلے میں 19.9% منافع درج کرایا۔ فنڈ کی کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 232.47 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 28.06 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 204.41 ملین روپے رہی۔ 31 مارچ 2024 تک مطابق NRFSF کی ایسٹ بلیکیشن حسب ذیل ہے۔





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ 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 فنڈ 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 March 31, 2024	Audited June 30, 2023
----- Rupees in '000 -----			
ASSETS			
Balances with banks	4	1,358,240	890,564
Investments	5	193,654	738,376
Prepayment and other receivables		728	515
Profit receivable		16,795	27,105
Receivable against issue of units		8,165	16
Total assets		1,577,582	1,656,576
LIABILITIES			
Payable to the Management Company		15,435	17,306
Payable to the Trustee		109	110
Payable to Securities and Exchange Commission of Pakistan		96	416
Payable against redemption of units		3,139	9,927
Accrued expenses and other liabilities		2,954	37,731
Total liabilities		21,733	65,490
NET ASSETS		1,555,849	1,591,086
Unit holders' fund (As per statement attached)		1,555,849	1,591,086
CONTINGENCIES AND COMMITMENTS			
	6		
-----Number of units-----			
Number of units in issue		131,136,618	154,173,663
-----Rupees-----			
Net asset value per unit		11.8643	10.3201

The annexed notes 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 AND QUARTER ENDED MARCH 31, 2024

Note	Nine months ended		Quarter ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
----- Rupees in '000 -----				
INCOME				
Income on Bank balances	88,113	159,428	28,437	36,804
Income on term deposits	6,856	-	-	-
Income on GOP Ijara Sukuks	79,059	25,956	31,026	8,670
Income on Islamic Commercial paper	-	184	-	-
Income on Sukuk	28,559	54,216	7,558	16,241
Income on certificate of Musharakah	29,181	12,973	10,073	6,761
Gain / (Loss) on sale of Investments - net	701	(3,538)	(1,454)	(3,043)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(495)	(2,596)	2,008
Total income	232,469	248,724	73,044	67,441
EXPENSES				
Remuneration of the Management Company	12,610	13,770	3,958	3,710
Sindh sales tax on remuneration of the Management Company	1,639	1,790	514	482
Remuneration of the Trustee	828	1,256	277	318
Sindh Sales Tax on remuneration of the Trustee	108	163	36	41
Reimbursement of Selling and Marketing Expense	8,234	15,911	2,379	4,034
Annual fee - Securities and Exchange Commission of Pakistan	828	335	277	85
Reimbursement of operational expenses to the Management Company	1,611	2,112	509	549
Annual listing fee	23	21	8	7
Securities transaction cost	105	48	105	48
Settlement & Bank charges	307	404	39	99
Auditors' remuneration	1,002	761	196	197
Fund rating fee	488	443	173	156
Printing and related costs	42	86	13	57
Shariah advisor fee	151	292	50	100
Legal and professional charges	85	124	27	56
Total expenses	28,061	37,516	8,561	9,939
Net income from operating activities	204,408	211,208	64,483	57,502
Taxation	-	-	-	-
Net income for the period after taxation	204,408	211,208	64,483	57,502
Earnings per unit				
Allocation of net income for the period:				
Net income for the period after taxation	204,408	211,208		
Income already paid on units redeemed	(34,617)	(72,744)		
	169,791	138,464		
Accounting Income available for Distribution				
- Relating to capital gains	701	-		
- Excluding capital gains	169,090	138,464		
	169,791	138,464		

The annexed notes 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 AND QUARTER ENDED MARCH 31, 2024

	Nine months ended		Quarter ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	----- Rupees in '000 -----			
Net income for the period after taxation	204,408	211,208	64,483	57,502
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	204,408	211,208	64,483	57,502

The annexed notes 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 ENDED MARCH 31, 2024

	Nine months ended March 31,					
	2024			2023		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	1,529,602	61,484	1,591,086	2,739,798	53,456	2,793,254
Issue of 53,412,722 units (2023: 38,063,429 units)						
- Capital value	551,225	-	551,225	391,928	-	391,928
- Element of income	54,620	-	54,620	16,438	-	16,438
Total proceeds on issuance of units	605,845	-	605,845	408,366	-	408,366
Redemption of 76,449,767 units (2023: 164,784,659 units)						
- Capital value	(788,969)	-	(788,969)	(1,691,795)	-	(1,691,795)
- Element of loss	(21,904)	(34,617)	(56,521)	(6,325)	(72,744)	(79,069)
Total payments on redemption of units	(810,873)	(34,617)	(845,490)	(1,698,120)	(72,744)	(1,770,864)
Total comprehensive income for the period	-	204,408	204,408	-	211,208	211,208
Net assets at end of the period	1,324,574	231,275	1,555,849	1,450,044	191,920	1,641,964
Undistributed income brought forward						
- Realised		64,355			53,231	
- Unrealised		(2,871)			225	
		61,484			53,456	
Accounting income available for distribution						
- Relating to capital gain		701			-	
- Excluding capital gain		169,090			138,464	
		169,791			138,464	
Undistributed income carried forward		231,275			191,920	
Undistributed income carried forward						
- Realised income		231,275			192,415	
- Unrealised (loss) / income		-			(495)	
		231,275			191,920	
				(Rupees) -		(Rupees) -
Net assets value per unit at beginning of the period			10.3201			10.2667
Net assets value per unit at end of the period			11.8643			11.2967

The annexed notes 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 ENDED MARCH 31, 2024

	<u>Nine Months Ended</u>	
	31-Mar-24	31-Mar-23
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	204,408	211,208
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	495
Loss / (Gain) on sale of investments - net	(701)	3,538
	<u>203,707</u>	<u>215,241</u>
(Increase) / decrease in assets		
Investments - net	545,423	315,248
Advances, deposits, prepayments and other receivables	(213)	(194)
Profit receivable	10,310	(310)
	<u>555,520</u>	<u>314,744</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,871)	(3,732)
Payable to the Trustee	(1)	(76)
Payable to Securities and Exchange Commission of Pakistan	(320)	(368)
Accrued expenses and other liabilities	(34,777)	(35,919)
	<u>(36,969)</u>	<u>(40,095)</u>
Net cash generated from operating activities	<u>722,258</u>	<u>489,890</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	597,696	408,843
Payment on redemption of units	(852,278)	(1,803,324)
Net cash (used in) from financing activities	<u>(254,582)</u>	<u>(1,394,481)</u>
Net (decrease in) cash and cash equivalents during the period	<u>467,676</u>	<u>(904,591)</u>
Cash and cash equivalents at the beginning of the period	890,564	1,954,436
Cash and cash equivalents at end of the period	<u><u>1,358,240</u></u>	<u><u>1,049,845</u></u>

The annexed notes 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 ENDED MARCH 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Riba Free Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 18, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 18, 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 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 Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and classified as an Islamic "income 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.

The objective of the Fund is to provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / debt securities.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (June 30, 2023: AM1) on June 22, 2023. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at A+(f) (June 30, 2023: A+(f) on April 14, 2023) dated October 13, 2023.

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 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 VIII A 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.

		(Un-audited) March 31, 2023	(Audited) June 30, 2023
	Note	-----Rupees in '000-----	
4 BANK BALANCES			
Current accounts		4,667	16,947
Savings accounts		<u>1,353,573</u>	<u>873,617</u>
		<u><u>1,358,240</u></u>	<u><u>890,564</u></u>

These savings accounts carry rates of return ranging from 11.01 % to 21% (30 June 2023: 10% to 20.50%) per annum.

5 INVESTMENTS

Financial assets at fair value through profit loss

Corporate sukuk certificates	5.1	-	200,040
Term deposit receipts	5.2	-	150,000
Government securities - GOP Ijarha Sukuks	5.3	-	223,556
Certificates of musharakah	5.4	<u>193,654</u>	<u>164,780</u>
		<u><u>193,654</u></u>	<u><u>738,376</u></u>

5.1 Sukuks Certificates - At fair value through profit or loss

All certificates have a face value of Rs.100,000 each

Name of the security	As at July 1, 2023	Purchases during the period	Matured / disposed off during the period	As at March 31, 2024	Market value as at March 31, 2024	Percentage in relation to	
						Net assets of the Fund	Total market value of the investment
----- Number of certificates-----					(Rupees in '000)	----- %-----	
Pakistan Energy Sukuk-II (traded) (Face value of Rs. 5,000 per certificate) Maturity May 20,2030	40,000	-	40,000	-	-	-	-
					-	-	-
Carrying value as at March 31, 2024					-		
Market value as at June 30, 2023					200,040		

5.2 Term deposit receipts

Name of security with Porfit rate	Face value (Rupees in '000)				(Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 1, 2023	Purchased during the period	Disposed off / matured during the period	As at March 31, 2024	Market value as at March 31, 2024		
----- Number of certificates-----					---(Rupees in '000)---	----- %-----	
COMMERCIAL BANKS							
Faysal Bank Limited -- 20.40%	150,000	-	150,000	-	-	-	-
Faysal Bank Limited -- 21.30%	-	150,000	150,000	-	-	-	-
Faysal Bank Limited -- 21.30%	-	150,000	150,000	-	-	-	-
Total					-	-	-
Carrying value as at March 31, 2024					-		
Market value as at June 30, 2023					150,000		

5.3 Government securities - Ijarah sukuks

Name of the security	As at July 1, 2023	Purchases during the period	Sales during the period	As at March 31, 2024	Market value as at March 31, 2024	Percentage in relation to	
						Net assets of the Fund	Total market value of the investment
----- Number of certificates-----					(Rupees in '000)	----- %-----	
GoP Ijarah sukuk GIS - VRR - XIX (Face value of Rs. 100,000 per certificate Maturity May 29, 2025)	45,000	-	45,000	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XXX (Face value of Rs. 100,000 per certificate Maturity April 17, 2024)	-	20,000	20,000	-	-	-	-

NBP RIBA FREE SAVINGS FUND

Name of the security	As at July 1, 2023	Purchases during the period	Sales during the period	As at March 31, 2024	Market value as at March 31, 2024	Percentage in relation to	
						Net assets of the Fund	Total market value of the investment
						----- Number of certificates-----	
					(Rupees in '000)	----- %-----	
GoP Ijarah sukuk GIS - VRR - XXXVII (Face value of Rs. 100,000 per certificate Maturity August 07, 2024)	-	40,000	40,000	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XXXIX (Face value of Rs. 100,000 per certificate Maturity October 09, 2024)	-	20,000	20,000	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XL (Face value of Rs. 100,000 per certificate Maturity December 04, 2024)	-	5,000	5,000	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XLI (Face value of Rs. 100,000 per certificate Maturity December 04, 2026)	-	15,000	15,000	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XLII (Face value of Rs. 100,000 per certificate Maturity December 04, 2028)	-	20,000	20,000	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XXXII (Face value of Rs. 100,000 per certificate Maturity June 26, 2024)	-	10,000	10,000	-	-	-	-
Total					-	-	-
Carrying value as at March 31, 2024					-		
Market value as at June 30, 2023					223,556		
Carrying value as at June 30, 2023					225,067		

5.4 Certificates of musharakah

Name of the security	As at July 1, 2023	Purchases during the period	Matured / disposed off during the period	Carrying value as at March 31, 2024	Market value as at March 31, 2024	Percentage in relation to	
						Net assets of the Fund	Total market value of the investment
						----- (Rupees in '000)-----	
						----- %-----	
First Habib Modaraba Maturity September 20, 2023)	164,780	-	164,780	-	-	-	-
First Habib Modaraba Maturity December 20, 2023)	-	173,998	173,998	-	-	-	-
First Habib Modaraba Maturity March 20, 2024)	-	183,650	183,650	-	-	-	-
First Habib Modaraba Maturity March 20, 2024)	-	193,654	-	193,654	193,654	12.45	100
Total as at March 31, 2024 (un-audited)				-	193,654	12.45	100
Total as at June 30, 2023 (audited)				164,780	164,780	-	-

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024 and 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 0.99% 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 intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 2.54% (March 31, 2023: 2.24%) which includes 0.23% (March 31, 2023: 0.11%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Compliant Income Scheme".

10 TRANSACTIONS WITH CONNECTED PERSONS

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

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

10.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

		----- (Un-Audited) -----	
		Nine months ended	
		March	March
		31,2024	31,2023
		----- Rupees in '000 -----	
10.5	Transactions during the period		
	NBP Fund Management Limited		
	Formerly NBP Fullerton Asset Management Limited (Management Company)		
	Management remuneration for the period	12,610	13,770
	Sindh sales tax on remuneration of the Management Company	1,639	1,790
	Reimbursement of Selling and marketing expense	8,234	15,911
	Reimbursement of Accounting and operational charges to the Management Company	1,611	2,112
	Sales Load and sind sale tax	345	468
	ADC share and Sindh sale tax - payable to Management Company	343	99
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	828	1,256
	Sindh Sale tax on Remuneration	108	163
	CDS Charges	6	49
	Employees of Management Company		
	Units issued / transferred in 1,528,223 units; (2023: 684,940 units)	17,062	7,273
	Units redeemed / transferred out 1,466,664 units; (2023: 1,001,786 units)	16,237	10,690
	Portfolio Managed By Management Company*		
	Units redeemed / transferred out Nil units (2023: 71 units)	-	1
	BANKISLAMI PAKISTAN LIMITED*		
	Profit earned from savings account	-	24,925
	K Electric - (Common directorship)		
	Purchase of Sukuk during the period	-	270,000
	Profit earned on Sukuk during the period	-	29,751
		(Un-Audited)	(Audited)
		March	June 30,
		31, 2023	2023
		----- Rupees in '000 -----	
10.6	Balances outstanding as at period / year end		
	NBP Fund Management Limited		
	Remuneration payable	1,276	1,522
	Sindh sales tax on remuneration of the Management Company	167	198
	Reimbursement of Selling and Marketing expense payable	2,379	3,837
	Reimbursement of Operational expenses	511	607
	Sales load payable	37	75
	Sindh sales tax on sale load payable	5	10
	Federal excise duty on sales load	334	334
	Federal excise duty on remuneration of the Management Company	10,657	10,657
	ADC share and Sindh sale tax - payable to Management Company	69	66
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	97	97
	Sale tax on Remuneration payable	12	13
	CDS settlement charges payable	44	40
	Security deposit	200	200

	(Un-Audited) March 31, 2023	(Audited) June 30, 2023
	----- Rupees in '000 -----	
National Bank of Pakistan - Parent Company		
Balance in current account	262	882
Profit accrued on bank balances	32	33
Employees of Management Company		
Investment held in the fund 416,890 units (June 30 2023: 355,331 units)	4,946	3,667
Portfolio Managed by the Management Company*		
Investment held in the fund Nil units (June 30, 2023: 235 units)	-	2
Mr. Khalid Mehmood - Chief Financial Officer		
Units held: 72 units (June 30, 2023: 72)	1	1

*Current year figures have not been presented as the person is not classified as a related party / connected person of the Fund as at March 31, 2024.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

12 DATE OF AUTHORISATION FOR ISSUE

This financial information was authorised for issue by the Board of Directors of the Management Company on April 25, 2024.

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand Rupees.

13.2 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant changes to corresponding figures have been made during the current period.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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