

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



اسلامک سیونگز

Islamic Savings

NBP Fund Management Limited



NBP ISLAMIC DAILY DIVIDEND FUND

ANNUAL REPORT
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. Faisal Ahmed*	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. Faisal Ahmed*	Member

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Faisal Ahmed*	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	Member

* Pending SECP approval

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

Askari Bank Limited	Zarai Taraqati Bank Limited
Bank Alhabib Limited	Faysal Bank Limited
United Bank Limited	Bank Alfalah Limited
Meezan Bank Limited	Habib Metropolitan Bank Limited
Habib Bank Limited	
Dubai Islamic Bank Limited	
Allied Bank Limited	
National Bank Of Pakistan	
Bank Islami Pakistan 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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Saad Amanullah Khan
Director



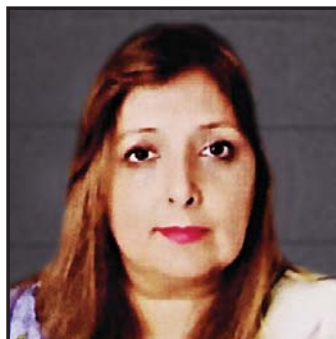
Mr. Faisal Ahmed*
Director



Mr. Ali Saigol
Director



Mr. Ruhail Muhammad
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

* Pending SECP approval

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Business
Development Officer



Mr. Muhammad Imran, CFA, ACCA
Head of Portfolio Management



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Shahzad Mithani
Head of Corporate &
HNWIs Sales - South



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Mr. Waheed Abidi
Head of Internal Audit



Mr. Hassan Raza, CFA
Head of Research



Mr. Mustafa Farooq
Head of Compliance

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the 5th Annual Report of **NBP Islamic Daily Dividend Fund** (NIDDF) for the year ended June 30, 2024.

Fund's Performance

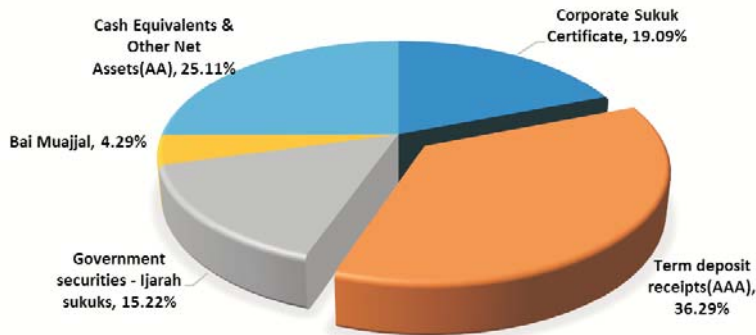
NIDDF is categorized as Shariah Compliant Money Market Fund and has been awarded stability rating of 'AA+ (f)' by PACRA. The fund aims to consistently provide better return than the profit rates offered by Islamic Banks / Islamic windows of commercial banks. Minimum eligible rating is AA, while the Fund 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, thereby providing easy liquidity along with a high-quality credit profile.

The market witnessed some fresh issuance of short-term corporate sukuks mainly in the Power sector to meet the increasing funding requirements. In FY24, the State Bank's Monetary Policy Committee (MPC) held eight meetings, reducing the policy rate by 150 basis points in the fourth quarter to 20.50%. This decision was supported by improving macroeconomic indicators, thanks to measures aimed at curbing inflation and improving its outlook. The MPC noted a significant drop in inflation, a reduced current account deficit, and stronger foreign exchange (FX) reserves. However, they cautioned that risks to price stability remain due to domestic and external shocks, the base effect, and global commodity price fluctuations. The inflation outlook is also threatened by recent budgetary measures and frequent hikes in utility tariffs, which could slow the decline in inflation expectations.

On a positive note, the narrower current account deficit, early reforms in exchange companies, and actions against illicit market activities have improved FX market sentiment and liquidity. Successful negotiations with the International Monetary Fund (IMF) regarding an Extended Fund Facility (EFF) program have also paved the way for additional multilateral and bilateral inflows, strengthening FX reserves and meeting near-term external financing needs as core inflation gradually cools. By June 2024, the State Bank of Pakistan's net liquid foreign exchange reserves stood at USD 9.4 billion.

The size of NBP Islamic Daily Dividend Fund has increased from Rs. 19,820 million to Rs. 24,717 million during the period (a growth of 25%). During the period, the unit price of the Fund has increased from Rs. 8.2133 on June 30, 2023 to Rs. 10.0000 on June 30, 2024, thus showing a return of 21.69% as compared to the benchmark return of 10.27% 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. 5,212.63 million during the year. After deducting total expenses of Rs. 269.16 million, the net income is Rs. 4,943.47 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIDDF.



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 19.57% of the opening ex-NAV (19.57% of the par value) during the year ended June 30, 2024.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding accumulative losses, realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, Messrs A.F. Ferguson & Co., Chartered Accountants, has completed their five years tenure in the capacity of Auditor of the Fund. As per the requirement of Regulation 38(1) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the replacement would be required. The Board has approved the appointment of Messrs Yousuf Adil Chartered Accountants, offer for appointment for the year ending June 30, 2025.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the year. The attendance of all directors is disclosed in the note 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2024, the Board included:

Category	Names
Independent Directors	<ol style="list-style-type: none">1. Mr. Khalid Mansoor2. Mr. Saad Amanullah Khan3. Mr. Ruhail Muhammad
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	<ol style="list-style-type: none">1. Shaikh Muhammad Abdul Wahid Sethi (Chairman)2. Mr. Tauqeer Mazhar3. Ms. Mehnaz Salar4. Mr. Ali Saigol5. Mr. Imran Zaffar

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: October 30, 2024
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP اسلامک ڈیلی ڈیویڈنڈ فنڈ (NIDDF) کی پانچویں سالانہ رپورٹ برائے سال ختمہ 30 جون 2024ء پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

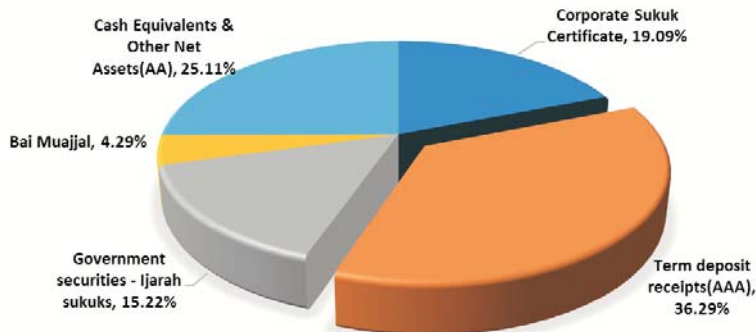
NIDDF کو شریعہ کیلئے منی مارکیٹ فنڈ کے طور پر درجہ بندی کی گئی ہے اور اسے PACRA کی طرف سے "AA+(f)" کی اسٹیٹس ریٹنگ دی گئی ہے۔ اس فنڈ کا مقصد اسلامی بینکوں/کمرشل بینکوں کے اسلامی وٹڈوز کی طرف سے پیش کردہ منافع کی شرحوں سے مسلسل بہتر منافع فراہم کرنا ہے۔ کم از کم اہل درجہ بندی AA ہے، جبکہ فنڈ کو چھ ماہ کی مہجورٹی سے زیادہ کسی بھی سیکورٹی میں سرمایہ کاری کرنے کی اجازت نہیں ہے۔ فنڈ کی مہجورٹی کا وزنی اوسط وقت 90 دنوں سے زیادہ نہیں ہو سکتا، اس طرح ایک اعلیٰ معیار کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی فراہم کرتا ہے۔

مارکیٹ میں بنیادی طور پر پاور سیکٹرز میں فنڈنگ کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لئے چند نئے قلیل مدتی کارپوریٹ سکوک کا اجراء دیکھا گیا۔ مالی سال 24 میں اسٹیٹ بینک کی مانیٹری پالیسی کمیٹی (ایم پی سی) کے 18 اجلاس منعقد ہوئے، چوتھی سہ ماہی میں پالیسی شرح 150 بیس پوائنٹس کم کر کے 20.50 فیصد کر دی گئی۔ یہ فیصلہ بہتر میکرو اکنامک اشاروں کے باعث کیا گیا، جس کا مقصد افراط زر پر قابو پانا اور اس کے نقطہ نظر کو بہتر بنانا تھا۔ ایم پی سی نے افراط زر میں نمایاں کمی، کرنٹ اکاؤنٹ خسارے میں کمی اور زرمبادلہ کے مضبوط ذخائر درج کئے۔ تاہم، انہوں نے متنبہ کیا کہ مقامی اور بیرونی شاکس، بنیادی اثرات، اور عالمی اجناس کی قیمتوں میں اتار چڑھاؤ کی وجہ سے قیمتوں میں عدم استحکام لاسکتے ہیں۔ حالیہ بجٹ اقدامات اور یوٹیلٹی ٹیرف میں مسلسل اضافے سے بھی افراط زر کا نقطہ نظر خطرے میں ہے، جس سے افراط زر کی متوقع کمی سست ہو سکتی ہے۔

ثابت بات یہ ہے کہ کرنٹ اکاؤنٹ خسارے میں کمی، ایکسیچ کمپنوں میں ابتدائی اصلاحات اور مارکیٹ کی غیر قانونی سرگرمیوں کے خلاف اقدامات سے ایف ایکس مارکیٹ کے جذبات اور لیکویڈیٹی میں بہتری آئی ہے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ توسیعی فنڈ سہولت (ای ای ایف ایف) پروگرام کے حوالے سے کامیاب مذاکرات نے اضافی کثیر الجہتی اور دو طرفہ آمد، زرمبادلہ کے ذخائر کو مضبوط بنانے اور قریب مدتی بیرونی فنڈنگ کی ضروریات کو پورا کرنے کی راہ بھی ہموار کی ہے کیونکہ بنیادی افراط زر بتدریج کم ہو رہا ہے۔ جون 2024 تک اسٹیٹ بینک آف پاکستان کے خالص لیکویڈیٹی زرمبادلہ کے ذخائر 9.4 ارب ڈالر تھے۔

NBP اسلامک ڈیلی ڈیویڈنڈ فنڈ کا ساؤتھ اسیٹس مدت کے دوران 19,820 ملین روپے سے بڑھ کر 24,717 ملین روپے ہو گیا (یعنی 25% کا اضافہ ہوا)۔ مذکورہ مدت کے دوران فنڈ کے پورٹ فولیو کی قیمت 30 جون 2023 کو 8,2133 روپے سے بڑھ کر 30 جون 2024 کو 10,0000 روپے ہو چکی ہے، لہذا فنڈ نے اسی مدت کے دوران 10.27% نیٹ مارک منافع کے مقابلے میں 21.69% منافع دیا۔ فنڈ کی ریکارڈنگ مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو اس مدت کے دوران 5,212.63 ملین روپے کی آمدنی ہوئی۔ 269.16 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 4,943.47 ملین روپے ہے۔ درج ذیل چارٹ NIDDF کی ہر ایک ڈیلی کلاسوں کی ایسٹیلیکیشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2024 کے اختتام کے بعد اوپننگ ex-NAV کا 19.57% (بنیادی قدر کا 19.57%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔



تعمیر

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر ایکس آر ڈیٹنس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز ایف فرگن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے فنڈ کے آڈیٹ کی حیثیت سے اپنی پانچ سالہ مدت پوری کر لی ہے۔ نان بینکنگ فنانس کمپنیوں کے ریگولیشن (1) 38 اور نوٹیفکیشن اداروں کے ریگولیشنز 2008 کی ضرورت کے مطابق، تبدیلی کی ضرورت ہوگی۔ بورڈ نے 30 جون 2025ء کو ختم ہونے والے سال کے لئے میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کی تقرری کی منظوری دی ہے۔

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

1. منجنت کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شہر یاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران منجنت کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2024 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں

نام	کیٹگری
•1 جناب خالد منصور •2 جناب سعد امان اللہ خان •3 جناب روبیل محمد	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
•1 شیخ محمد عبدالواحد سہیلی (چیئرمین) •2 جناب توقیر مظہر •3 محترمہ مہناز سالار •4 جناب علی سیگل •5 جناب عمران ظفر	نان ایگزیکٹو ڈائریکٹرز



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ انویسٹمنٹ 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 اسٹاک اور رٹرن کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

مخائب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2024ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Daily Dividend Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

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

For the attention of unit holders, during an onsite inspection of the Management Company, the Securities and Exchange Commission of Pakistan (SECP) identified certain matters related to the charging and allocation of selling and marketing expenses to the Fund. Accordingly, the Management Company, following the guidance and interpretation provided by the SECP, will compensate to the entitled unit holders.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, October 30, 2024

FUND MANAGER REPORT

NBP Islamic Daily Dividend Fund

NBP Islamic Daily Dividend Fund (NIDDF) is an Open-End Shariah Compliant Money Market Fund.

Investment Objective of the Fund

To provide competitive return along with daily dividend by investing in Shariah Compliant money market instruments.

Benchmark

Three months average deposit rates of three (3) AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.

Fund Performance Review

This is the 5th Annual report since the launch of the Fund on November 01, 2019. The Fund size increased by 25% during the year and stands at Rs. 24.7 billion as of June 30, 2024. Since its inception, the Fund has earned an annualized return of 13.2% versus the benchmark return of 5.8%, thus registering an outperformance of 7.4% p.a. During FY24, the Fund posted 21.7% return versus the benchmark return of 10.3%, thus registering an outperformance of 11.4% p.a. This outperformance is net of management fee and other expenses.

NIDDF is an Islamic Money Market Scheme with no direct or indirect exposure to the stock market. The Fund is awarded the 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, thereby providing easy liquidity along with a high-quality credit profile.

The market witnessed some fresh issuance of short-term corporate sukuks mainly in the Power sector to meet the increasing funding requirements. In FY24, the State Bank's Monetary Policy Committee (MPC) held eight meetings, reducing the policy rate by 150 basis points in the fourth quarter to 20.50%. This decision was supported by improving macroeconomic indicators, thanks to measures aimed at curbing inflation and improving its outlook. The MPC noted a significant drop in inflation, a reduced current account deficit, and stronger foreign exchange (FX) reserves. However, they cautioned that risks to price stability remain due to domestic and external shocks, the base effect, and global commodity price fluctuations. The inflation outlook is also threatened by recent budgetary measures and frequent hikes in utility tariffs, which could slow the decline in inflation expectations.

On a positive note, the narrower current account deficit, early reforms in exchange companies, and actions against illicit market activities have improved FX market sentiment and liquidity. Successful negotiations with the International Monetary Fund (IMF) regarding an Extended Fund Facility (EFF) program have also paved the way for additional multilateral and bilateral inflows, strengthening FX reserves and meeting near-term external financing needs as core inflation gradually cools. By June 2024, the State Bank of Pakistan's net liquid foreign exchange reserves stood at USD 9.4 billion.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-24	30-Jun-23
Certificates of musharakah	-	15.14%
Corporate sukuk certificates	19.09%	9.86%
Government securities - Ijarah sukuks	15.22%	-
Bai muajjal receivable	4.29%	8.48%
Term deposit receipts	36.29%	21.70%
Cash, Bank Placements & Other Assets	25.11%	44.82%
Total	100%	100%

Distribution for the Financial Year 2024

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
From July 01, 2023 to June 30, 2024	19.57	11.957	10

Unit Holding Pattern of NBP Islamic Daily Dividend Fund as on June 30, 2024

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	269
1-1000	657
1001-5000	199
5001-10000	110
10001-50000	330
50001-100000	197
100001-500000	384
500001-1000000	116
1000001-5000000	187
5000001-10000000	36
10000001-100000000	30
100000001 & above	5
Total	2,520

During the period under question

There has been no significant change in the state of affairs of the Fund, other than stated above. NBP Islamic Daily Dividend Fund does not have any soft commission arrangement with any broker in the industry.

STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NBP Islamic Daily Dividend Fund (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2024. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: **October 30, 2024**
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer

REPORT OF THE SHARIAH SUPERVISORY BOARD

October 29, 2024/ Rabi Al-Akhar 25, 1446

Alhamdulillah, the period from July 01, 2023 to June 30, 2024 marks the Fifth year of the operations of NBP Islamic Daily Dividend Fund (the "NIDDF" or the "Fund") under management of NBP Funds Management Limited (the "NBP Funds" or the "Management Company").

In the capacity of Shariah Supervisory Board (the "SSB"), we have prescribed specific criteria and procedures to ensure that every investment aligns with Shariah principles and rules.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah principles, policies and guidelines issued by the SSB and Shariah Governance Regulations issued by Securities and Exchange Commission of Pakistan. The prime responsibility for ensuring Shariah compliance of the Fund operations lies with the Board of Directors and Executive Management.

Based on our day to day reviews during the year and subsequent approvals for investments and related activities of the Fund, we hereby confirm that:

- i. The modes of investments, transactions, relevant documentation and procedures adopted have been in accordance with Shariah principles and rules
- ii. The affairs of the Fund have been carried out in accordance with Shariah principles and rules and relevant Shariah opinions and/or guidelines were issued accordingly from time to time

Based on the above facts, SSB is of the opinion that during the year, nothing has come to our attention that causes us to believe that overall operations of the Fund for the year ended June 30, 2024 are not in compliance with the Shariah principles and rules.

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Technical Services & Support

For and on behalf of NBP Fund's Shariah Supervisory Board

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waqar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To The Board of Directors of NBP Fund Management Limited

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of NBP Islamic Daily Dividend Fund (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year ended June 30, 2024. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2024) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- a) legal and regulatory framework administered by the SECP;
- b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;
- c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;
- d) guidance and recommendations of the Shariah advisory committee, as notified by the SECP; and
- e) approvals, rulings or pronouncements of Shariah Supervisory board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above.

Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended June 30, 2024, which are annexed.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts, and transactions, having Shariah implications, entered into by the Fund with its unit holders, other financial institutions and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for the design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our Responsibility and Summary of the Work Performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications, with Shariah principles in all material respects for the year ended June 30, 2024, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that, in our opinion, the Fund's financial arrangements, contracts, and transactions for the year ended June 30, 2024 are in compliance with the Shariah principles (criteria specified in paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Nadeem Yousuf Adil**.

Yousuf Adil
Chartered Accountants

Date: October 30, 2024
Place: Karachi

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Islamic Daily Dividend Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NBP Islamic Daily Dividend Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Net Asset Value (Refer notes 4 and 5 to the financial statements)</p> <p>The bank balances and investments constitute the most significant component of the net asset value (NAV). The bank balances and investments of the Fund as at June 30, 2024 amounted to Rs. 5,706.864 million and Rs. 18,509.771 million respectively.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**

A.F. Ferguson & Co.
Chartered Accountants

Karachi

Dated: October 30, 2024

UDIN: AR202410061tXZVv2m46

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2024

	2024	2023
Note	----- Rupees in '000 -----	
ASSETS		
Bank balances	5,706,864	8,651,435
Investments	18,509,771	10,936,190
Profit receivable	628,322	305,278
Prepayments, deposits and other receivables	837	849
Preliminary expenses and floatation costs	86	320
Total assets	24,845,880	19,894,072
LIABILITIES		
Payable to NBP Fund Management Limited - the Management Company	94,999	50,464
Payable to Central Depository Company of Pakistan Limited - the Trustee	1,310	1,131
Payable to the Securities and Exchange Commission of Pakistan	1,590	3,475
Payable against redemption of units	-	1,788
Accrued expenses and other liabilities	30,914	17,515
Total liabilities	128,813	74,373
NET ASSETS	24,717,067	19,819,699
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	24,717,067	19,819,699
CONTINGENCIES AND COMMITMENTS	13	
	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	2,471,716,652	1,981,975,309
	-----Rupees-----	
NET ASSET VALUE PER UNIT	10.0000	10.0000

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	----- Rupees in '000 -----	
INCOME		
Income on corporate sukuk certificates	818,919	360,098
Income on GoP ijara sukuks	462,382	-
Income on term deposit receipts	958,465	401,348
Income on certificates of musharakah	808,364	97,815
Income on bai muajjal	112,386	400,310
Profit on bank balances	2,068,050	1,655,685
	<u>5,228,566</u>	<u>2,915,256</u>
(Loss) / gain on sale of investments - net	(11,200)	28
Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.6 (4,734)	-
	<u>(15,934)</u>	<u>28</u>
Total income	<u>5,212,632</u>	<u>2,915,284</u>
EXPENSES		
Remuneration of NBP Fund Management Limited - the Management Company	9.1 46,367	28,847
Sindh sales tax on remuneration of the Management Company	9.2 6,028	3,750
Reimbursement of allocated expenses	9.3 29,518	21,720
Reimbursement of selling and marketing expenses	9.4 146,563	66,891
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	10.1 13,829	9,557
Sindh sales tax on remuneration of the Trustee	10.2 1,798	1,242
Fee to the Securities and Exchange Commission of Pakistan	11.1 18,858	3,475
Amortisation of preliminary expenses and floatation costs	8 234	234
Auditors' remuneration	15 728	668
Legal and professional charges	150	153
Annual listing fee	31	28
Shariah advisory fee	3,316	2,613
Settlement and bank charges	1,413	2,340
Printing expenses	90	56
Fund rating fee	239	218
Total operating expenses	<u>269,162</u>	<u>141,792</u>
Net income for the year before taxation	<u>4,943,470</u>	<u>2,773,492</u>
Taxation	16 -	-
Net income for the year after taxation	<u>4,943,470</u>	<u>2,773,492</u>
Earnings per unit	3.14	
Allocation of net income for the year		
- Net income for the year after taxation	4,943,470	2,773,492
- Income already paid on units redeemed	-	-
	<u>4,943,470</u>	<u>2,773,492</u>
Accounting income available for distribution:		
- Relating to capital gains	-	28
- Excluding capital gains	4,943,470	2,773,464
	<u>4,943,470</u>	<u>2,773,492</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees in '000 -----	
Net income for the year after taxation	4,943,470	2,773,492
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>4,943,470</u>	<u>2,773,492</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2024

	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Note	------(Rupees in '000)-----					
Net assets at the beginning of the year	19,819,699	-	19,819,699	11,192,294	-	11,192,294
Issuance of 6,563,659,407 units (2023: 5,201,856,936 units)						
- Capital value (at ex-net asset value per unit)	65,636,549	-	65,636,549	52,018,569	-	52,018,569
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	65,636,549	-	65,636,549	52,018,569	-	52,018,569
Redemption of 6,073,918,064 units (2023: 4,339,110,837 units)						
- Capital value (at ex-net asset value per unit)	(60,739,181)	-	(60,739,181)	(43,391,164)	-	(43,391,164)
- Element of loss	-	-	-	-	-	-
Total payments on redemption of units	(60,739,181)	-	(60,739,181)	(43,391,164)	-	(43,391,164)
Total comprehensive income for the year	-	4,943,470	4,943,470	-	2,773,492	2,773,492
Total distribution during the year	-	(4,943,470)	(4,943,470)	-	(2,773,492)	(2,773,492)
Net income for the year less distribution	-	-	-	-	-	-
Net assets at the end of the year	24,717,067	-	24,717,067	19,819,699	-	19,819,699
Undistributed income brought forward						
- Realised income		-			-	
- Unrealised income		-			-	
Accounting income available for distribution:						
- Relating to capital gains		-			28	
- Excluding capital gains		4,943,470			2,773,464	
		4,943,470			2,773,492	
Distribution for the year		(4,943,470)			(2,773,492)	
Undistributed income carried forward		-			-	
Undistributed income carried forward:						
- Realised income		-			-	
- Unrealised income		-			-	
		-			-	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		10.0000			10.0000	
Net asset value per unit at the end of the year		10.0000			10.0000	

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	4,943,470	2,773,492
Adjustments for:		
Income on corporate sukuk certificates	(818,919)	(360,098)
Income on GoP ijara sukuks	(462,382)	-
Income on term deposit receipts	(958,465)	(401,348)
Income on certificates of musharakah	(808,364)	(97,815)
Income on bai muajjal	(112,386)	(400,310)
Profit on bank balances	(2,068,050)	(1,655,685)
Amortisation of preliminary expenses and floatation costs	234	234
Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.6 4,734	-
	(5,223,598)	(2,915,022)
Decrease / (increase) in assets		
Prepayments, deposits and other receivables	12	(103)
Investments - net	(5,908,315)	(2,936,190)
	(5,908,303)	(2,936,293)
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - the Management Company	44,535	44,946
Payable to Central Depository Company of Pakistan Limited - the Trustee	179	584
Payable to the Securities and Exchange Commission of Pakistan	(1,885)	1,023
Accrued expenses and other liabilities	13,399	6,257
	56,228	52,810
Profit received	4,905,522	2,767,590
Net cash used in operating activities	(1,226,681)	(257,423)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	65,636,549	52,018,569
Net payments against redemption of units	(60,740,969)	(43,406,167)
Distributions paid	(4,943,470)	(2,773,492)
Net cash (used in) / generated from financing activities	(47,890)	5,838,910
Net (decrease) / increase in cash and cash equivalents	(1,274,571)	5,581,487
Cash and cash equivalents at the beginning of the year	15,951,435	10,369,948
Cash and cash equivalents at the end of the year	20 14,676,864	15,951,435

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NBP Islamic Daily Dividend 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 September 19, 2019, under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund was registered under the Sindh Trusts Act, 2020 on November 2, 2021.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3** The Fund has been categorised as an open ended Shariah compliant money market fund by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by 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 November 2, 2019 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of the Fund is to provide competitive return along with daily dividend by investing in Shariah compliant money market instruments.
- 1.5** The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on June 21, 2024 (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, PACRA has maintained the stability rating of the Fund to AA+(f) (2023: AA+(f) dated March 28, 2023) on March 28, 2024.
- 1.6** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan as the Trustee of the Fund.

2 BASIS OF PREPARATION

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 Accounting 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 VIII A 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 Accounting 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 year:

During the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

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

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

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or will not have any material effect on the Fund's financial statements and have not been disclosed in the financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan 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 (note 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 Pakistani Rupees, which is the Fund's functional and presentation currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts 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; or
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVPL);

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

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 Government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenure of the securities.

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 (other than debt securities)

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt securities) carried at amortised cost and FVOCI. The Fund recognises a loss allowance 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.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

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, considering the specific credit and financial condition of the debt security issuer and 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 measured 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 year end.

3.7 Issue and redemption of units

Units issued are recorded at the offer price, 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 at 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 for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as at 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 the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year 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 is 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 at the date on which the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Income from investments in corporate sukuks and GoP ijarah sukuks is recognised on an accrual basis using effective profit rate method.
- Profit on bank balances, term deposit receipts, bai muajjal and certificates of musharakah is recognised on an accrual basis.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and 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 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 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.14 Earnings per unit

Earnings per unit (EPU) is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.15 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 period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

4	BANK BALANCES	Note	2024	2023
			-----Rupees in '000-----	
	Balances with banks in:			
	Savings accounts	4.1	5,403,938	8,392,078
	Current accounts		302,926	259,357
			<u>5,706,864</u>	<u>8,651,435</u>

4.1 This includes balance of Rs. 2.899 million (2023: Rs 14.847 million) maintained with National Bank of Pakistan, that carries profit at the rate of 10% (2023: 18.40%) per annum. Other savings accounts carry profit rates ranging from 11.01% to 19.10% (2023: 10.00% to 20.50%) per annum.

5	INVESTMENTS	Note	2024	2023
			-----Rupees in '000-----	
	At fair value through profit or loss			
	Certificates of musharakah	5.1	-	3,000,000
	Corporate sukuk certificates	5.2	4,718,000	1,955,000
	Government securities - Ijarah sukuks	5.3	3,761,936	-
	Bai muajjal receivable	5.4	1,059,835	1,681,190
	Term deposit receipts	5.5	8,970,000	4,300,000
			<u>18,509,771</u>	<u>10,936,190</u>

5.1 Certificates of musharakah

Name of investee company	Rating	Maturity date	Profit rate	Face value				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) as at June 30, 2024	Market value as a percentage of	
				As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024				total investments of the Fund	net assets of the Fund
								Rupees in 000		%		
United Bank Limited - Islamic Banking	AAA, VIS	July 10, 2023	20.25%	500,000	-	500,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	July 19, 2023	20.25%	2,500,000	-	2,500,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	August 1, 2023	20.70%	-	1,750,000	1,750,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	August 1, 2023	20.70%	-	350,000	350,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	August 2, 2023	21.25%	-	2,500,000	2,500,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	August 15, 2023	20.65%	-	600,000	600,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	August 16, 2023	21.25%	-	500,000	500,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	August 18, 2023	20.75%	-	3,000,000	3,000,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	August 22, 2023	20.80%	-	700,000	700,000	-	-	-	-	-	
Faysal Bank Limited	AA, VIS	August 25, 2023	20.90%	-	2,400,000	2,400,000	-	-	-	-	-	
Faysal Bank Limited	AA, VIS	August 25, 2023	21.00%	-	400,000	400,000	-	-	-	-	-	
Faysal Bank Limited	AA, VIS	September 1, 2023	20.95%	-	1,750,000	1,750,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	September 5, 2023	20.70%	-	1,750,000	1,750,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	September 15, 2023	21.25%	-	2,500,000	2,500,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	October 16, 2023	21.25%	-	2,500,000	2,500,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	November 2, 2023	21.25%	-	2,500,000	2,500,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	November 6, 2023	21.10%	-	800,000	800,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	December 4, 2023	21.25%	-	2,550,000	2,550,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	December 6, 2023	21.00%	-	800,000	800,000	-	-	-	-	-	
Faysal Bank Limited	AA, VIS	December 8, 2023	21.05%	-	1,900,000	1,900,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	December 26, 2023	21.25%	-	2,550,000	2,550,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	December 26, 2023	21.00%	-	800,000	800,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	February 2, 2024	21.25%	-	4,000,000	4,000,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	February 6, 2024	20.50%	-	4,000,000	4,000,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	February 16, 2024	21.25%	-	4,000,000	4,000,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	February 19, 2024	20.60%	-	4,000,000	4,000,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	March 1, 2024	21.25%	-	4,000,000	4,000,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	March 4, 2024	20.75%	-	4,000,000	4,000,000	-	-	-	-	-	
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	March 14, 2024	21.30%	-	1,600,000	1,600,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	March 15, 2024	20.80%	-	800,000	800,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	March 15, 2024	21.25%	-	4,000,000	4,000,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	March 18, 2024	20.80%	-	3,500,000	3,500,000	-	-	-	-	-	
Pakistan Kuwait Investment Company (Private) Limited - Islamic Banking	AAA, PACRA	March 28, 2024	20.80%	-	1,402,000	1,402,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	March 29, 2024	21.25%	-	4,000,000	4,000,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	April 8, 2024	21.25%	-	3,750,000	3,750,000	-	-	-	-	-	
Pakistan Kuwait Investment Company (Private) Limited - Islamic Banking	AAA, PACRA	April 16, 2024	21.00%	-	2,500,000	2,500,000	-	-	-	-	-	
Faysal Bank Limited	AA, VIS	April 26, 2024	21.10%	-	4,000,000	4,000,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	April 26, 2024	21.25%	-	3,500,000	3,500,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	April 30, 2024	20.80%	-	2,500,000	2,500,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	May 13, 2024	20.75%	-	3,000,000	3,000,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	May 24, 2024	21.25%	-	3,300,000	3,300,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	May 27, 2024	20.80%	-	2,000,000	2,000,000	-	-	-	-	-	
Pakistan Kuwait Investment Company (Private) Limited - Islamic Banking	AAA, PACRA	June 3, 2024	21.05%	-	1,320,000	1,320,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	June 7, 2024	21.25%	-	2,700,000	2,700,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	June 21, 2024	19.75%	-	2,200,000	2,200,000	-	-	-	-	-	
United Bank Limited - Islamic Banking	AAA, VIS	June 21, 2024	19.75%	-	725,000	725,000	-	-	-	-	-	
Meezan Bank Limited	AAA, VIS	June 24, 2024	19.20%	-	3,000,000	3,000,000	-	-	-	-	-	
Total as at June 30, 2024												
Total as at June 30, 2023								3,000,000	3,000,000	-	27.43% 15.13%	

5.2 Corporate sukuk certificates

Name of the security	Rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2023	Purchased during the year	Sold / redeemed during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) as at June 30, 2024	Market value as a percentage of	
					Number of certificates			Rupees in '000		total investments of the Fund	net assets of the Fund		

POWER GENERATION AND DISTRIBUTION

K-Electric Limited Short Term Sukuks 14 (Face value of Rs 1,000,000 per certificate)	AA, PACRA	Semi-annually	August 28, 2023	6 months KIBOR plus base rate of 0.75%	525	-	525	-	-	-	-	-	-
K-Electric Limited Short Term Sukuks 15 (Face value of Rs 1,000,000 per certificate)	A-1+, VIS	Semi-annually	September 21, 2023	6 months KIBOR plus base rate of 0.50%	450	-	450	-	-	-	-	-	-
China Power Hub Generation Company (Private) Limited Short Term Sukuks 3 (Face value of Rs 1,000,000 per certificate)	A-1+, PACRA	Semi-annually	September 29, 2023	6 months KIBOR plus base rate of 0.70%	300	-	300	-	-	-	-	-	-
K-Electric Limited Short Term Sukuks 17 (Face value of Rs 1,000,000 per certificate)	A-1+, VIS	Semi-annually	November 17, 2023	6 months KIBOR plus base rate of 0.45%	680	-	680	-	-	-	-	-	-
Lucky Electric Power Company Limited Short Term Sukuks 12 (Face value of Rs 1,000,000 per certificate)	AA, PACRA	Semi-annually	February 15, 2024	6 months KIBOR plus base rate of 0.5%	-	600	600	-	-	-	-	-	-
Lucky Electric Power Company Limited Short Term Sukuks 14 (Face value of Rs 1,000,000 per certificate)	AA, PACRA	Quarterly	April 11, 2024	3 months KIBOR plus base rate of 0.45%	-	900	900	-	-	-	-	-	-
K-Electric Limited Short Term Sukuks 18 (Face value of Rs 1,000,000 per certificate)	A-1+, PACRA	Semi-annually	February 9, 2024	6 months KIBOR plus base rate of 0.3%	-	1,050	1,050	-	-	-	-	-	-
K-Electric Limited Short Term Sukuks 21 (Face value of Rs 1,000,000 per certificate)	A-1+, VIS	Quarterly	April 24, 2024	3 months KIBOR plus base rate of 0.5%	-	750	750	-	-	-	-	-	-
K-Electric Limited Short Term Sukuks 22 (Face value of Rs 1,000,000 per certificate)	A-1+, PACRA	Semi-annually	July 10, 2024	6 months KIBOR plus base rate of 0.15%	-	750	-	750	750,000	750,000	-	4.05%	3.03%
Pakistan Telecommunication Company Limited Short Term Sukuks (Face value of Rs 1,000,000 per certificate)	A-1+, VIS	Semi-annually	July 18, 2024	6 months KIBOR plus base rate of 0.15%	-	1,500	-	1,500	1,500,000	1,500,000	-	8.10%	6.07%
JDW Sugar Mills Limited Short Term Sukuks (Face value of Rs 1,000,000 per certificate)	A-1, VIS	Semi-annually	August 15, 2024	6 months KIBOR plus base rate of 0.80%	-	550	-	550	550,000	550,000	-	2.97%	2.23%
OBS Pharma (Private) Limited Short Term Sukuks (Face value of Rs 1,000,000 per certificate)	A-1, VIS	Semi-annually	August 29, 2024	6 months KIBOR plus base rate of 1.40%	-	100	-	100	100,000	100,000	-	0.54%	0.40%
Airlink Communication Limited Short Term Sukuks (Face value of Rs 1,000,000 per certificate)	A-1, PACRA	Semi-annually	September 18, 2024	6 months KIBOR plus base rate of 1.75%	-	300	-	300	300,000	300,000	-	1.62%	1.21%

NBP ISLAMIC DAILY DIVIDEND FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

Name of the security	Rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2023	Purchased during the year	Sold / redeemed during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) as at June 30, 2024	Market value as a percentage of	
					Number of certificates			Rupees in '000			total investments of the Fund	net assets of the Fund	
Lucky Electric Power Company Limited Short Term Sukuks 18 (Face value of Rs 1,000,000 per certificate)	A-1+, VIS	Semi-annually	October 15, 2024	6 months KIBOR plus base rate of 0.25%	-	125	-	125	125,000	125,000	-	0.68%	0.51%
Thar Energy Limited Short Term Sukuks 18 (Face value of Rs 1,000,000 per certificate)	A-1, PACRA	Semi-annually	October 18, 2024	6 months KIBOR plus base rate of 0.60%	-	250	-	250	250,000	250,000	-	1.35%	1.01%
Pakistan Mobile Communications Limited Short Term Sukuks (Face value of Rs 1,000,000 per certificate)	A-1+, VIS	Semi-annually	October 24, 2024	3 months KIBOR plus base rate of 0.25%	-	893	-	893	893,000	893,000	-	4.82%	3.61%
The Hub Power Company Limited Short Term Sukuks (Face value of Rs 1,000,000 per certificate)	A-1+, PACRA	Semi-annually	November 01, 2024	6 months KIBOR plus base rate of 0.25%	-	250	-	250	250,000	250,000	-	1.35%	1.01%
Total as at June 30, 2024									4,718,000	4,718,000	-	25.48%	19.08%
Total as at June 30, 2023									1,955,000	1,955,000	-	17.88%	9.86%

5.3 Government securities - Ijarah sukuku

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate / yield	As at July 1, 2023	Purchased during the year	Sold / redeemed during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised diminution as at June 30, 2024	Market value as a percentage of	
				Number of certificates			Rupees in '000			total Investment of the Fund	net assets of the Fund	
GoP Ijara sukuk VRR XXX (Face value of Rs. 100,000 per certificate)	Semi-annually / at maturity	April 17, 2024	Weighted average 6 months T-Bills	-	4,000	4,000	-	-	-	-	-	-
GoP Ijara sukuk VRR XXXII (Face value of Rs. 100,000 per certificate)	Semi-annually / at maturity	June 26, 2024	Weighted average 6 months T-Bills	-	800	800	-	-	-	-	-	-
GoP Ijara sukuk VRR XXXV (Face value of Rs. 100,000 per certificate)	Semi-annually / at maturity	July 12, 2024	Weighted average 6 months T-Bills	-	2,000	1,000	1,000	1,002,000	1,000,900	(1,100)	5.41%	4.05%
GoP Ijara sukuk GIS- Listed Sukuk (Face value of Rs. 5,000 per certificate)	At maturity	December 09, 2024	20%	-	596,465	-	596,465	2,764,670	2,761,036	(3,634)	14.92%	11.17%
Total as at June 30, 2024								3,766,670	3,761,936	(4,734)	20.33%	15.22%
Total as at June 30, 2023								-	-	-	-	-

5.4 Bai muajjal receivable

Name of investee company	Rating	Maturity date	Profit rate	Total transaction price	Deferred income	Carrying value as at June 30, 2024	Market value as a percentage of		
							total investments of the Fund	net assets of the Fund	
							(Rupees in '000)		%

DEVELOPMENT FINANCE INSTITUTIONS

Pakistan Kuwait Investment Company (Private) Limited - Islamic Banking	AAA, PACRA	August 7, 2023	20.40%	576,972	-	-	-	-		
Pakistan Kuwait Investment Company (Private) Limited - Islamic Banking	AAA, PACRA	August 7, 2023	20.40%	576,997	-	-	-	-		
Pakistan Kuwait Investment Company (Private) Limited - Islamic Banking	AAA, PACRA	August 7, 2023	20.40%	577,021	-	-	-	-		
Pak Oman Investment Company Limited - Islamic Banking	AA+, VIS	May 10, 2024	21.05%	351,200	-	-	-	-		
Pak Brunei Investment Company Limited - Islamic Banking	AA+, VIS	October 18, 2024	20.83%	1,170,519	110,684	1,059,835	5.73%	4.29%		
Total as at June 30, 2024							110,684	1,059,835	5.73%	4.29%
Total as at June 30, 2023							435,076	1,681,190	15.37%	8.49%

5.5 Term deposit receipts

Name of the bank	Rating	Maturity date	Profit rate	Face value				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Market value as a percentage of	
				As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024			total investments of the Fund	net assets of the Fund
							(Rupees in '000)		%		

COMMERCIAL BANKS

Bank Alfalah Limited - Islamic Banking	AAA, PACRA	July 5, 2023	20.00%	2,000,000	-	2,000,000	-	-	-	-
Askari Bank Limited - Islamic Banking	AA+, PACRA	August 11, 2023	20.20%	1,800,000	-	1,800,000	-	-	-	-
Faysal Bank Limited	AA, VIS	August 31, 2023	19.90%	500,000	-	500,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	August 7, 2023	20.98%	-	1,600,000	1,600,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	September 7, 2023	20.97%	-	1,600,000	1,600,000	-	-	-	-
Allied Bank Limited - Islamic Banking	AAA, PACRA	November 27, 2023	21.25%	-	1,250,000	1,250,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	October 9, 2023	20.97%	-	1,600,000	1,600,000	-	-	-	-
Faysal Bank Limited	AA, VIS	October 18, 2023	21.30%	-	1,200,000	1,200,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	November 10, 2023	20.95%	-	1,600,000	1,600,000	-	-	-	-
Faysal Bank Limited	AA, VIS	November 20, 2023	21.35%	-	1,200,000	1,200,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	December 11, 2023	20.95%	-	1,600,000	1,600,000	-	-	-	-
Faysal Bank Limited	AA, VIS	December 20, 2023	21.35%	-	1,200,000	1,200,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	December 29, 2023	20.95%	-	1,600,000	1,600,000	-	-	-	-
Faysal Bank Limited	AA, VIS	January 12, 2024	21.45%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited	AA, VIS	January 22, 2024	21.45%	-	1,500,000	1,500,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	January 29, 2024	20.95%	-	1,035,000	1,035,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	January 29, 2024	20.95%	-	565,000	565,000	-	-	-	-
Faysal Bank Limited	AA, VIS	February 12, 2024	21.30%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited	AA, VIS	February 22, 2024	21.30%	-	1,500,000	1,500,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	February 29, 2024	20.95%	-	1,600,000	1,600,000	-	-	-	-
Faysal Bank Limited	AA, VIS	March 7, 2024	21.30%	-	3,500,000	3,500,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	March 8, 2024	20.95%	-	1,600,000	1,600,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	March 29, 2024	20.95%	-	1,600,000	1,600,000	-	-	-	-
Faysal Bank Limited	AA, VIS	April 15, 2024	21.30%	-	4,000,000	4,000,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	April 29, 2024	20.95%	-	1,600,000	1,600,000	-	-	-	-
Faysal Bank Limited	AA, VIS	May 27, 2024	21.15%	-	3,500,000	3,500,000	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	May 29, 2024	20.95%	-	2,500,000	2,500,000	-	-	-	-
United Bank Limited Amreen - Islamic Banking	AAA, VIS	May 10, 2024	21.25%	-	3,000,000	3,000,000	-	-	-	-
Faysal Bank Limited	AA, VIS	June 27, 2024	21.45%	-	3,562,871	3,562,871	-	-	-	-

Name of the bank	Rating	Maturity date	Profit rate	----- Face value -----				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Market value as a percentage of	
				As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024			total investments of the Fund	net assets of the Fund
										-----%-----	
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	June 28, 2024	20.90%	-	2,480,000	2,480,000	-	-	-	-	-
Bank Alfalah Limited - Islamic Banking	AAA, PACRA	July 29, 2024	19.80%	-	2,230,000	-	2,230,000	2,230,000	2,230,000	12.05%	9.02%
Faysal Bank Limited	AA, VIS	July 29, 2024	20.10%	-	3,440,000	-	3,440,000	3,440,000	3,440,000	18.58%	13.92%
United Bank Limited Ameen - Islamic Banking	AAA, VIS	July 4, 2024	19.75%	-	3,300,000	-	3,300,000	3,300,000	3,300,000	17.83%	13.35%
Total as at June 30, 2024								8,970,000	8,970,000	48.46%	36.29%
Total as at June 30, 2023								4,300,000	4,300,000	39.32%	21.69%

5.6	Unrealised diminution on remeasurement of investments classified as financial assets 'at fair value through profit or loss'	Note	2024	2023
	Market value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	18,509,771	10,936,190
	Less: carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	18,514,505	(10,936,190)
			<u>(4,734)</u>	<u>-</u>

6 PROFIT RECEIVABLE

Profit receivable on:

Bank balances		100,862	114,100
Term deposit receipts		23,705	53,879
Corporate sukuk certificates		354,195	104,234
Government securities - Ijarah sukuks		104,802	-
Bai muajjal certificates		44,758	15,034
Certificates of musharakah		-	18,031
		<u>628,322</u>	<u>305,278</u>

7 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Advance tax	7.1	612	635
Prepaid mutual fund rating fee		125	114
Security deposit with Central Depository Company of Pakistan Limited *		100	100
		<u>837</u>	<u>849</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151. However, withholding taxes on profit on bank balances and profit on debt securities to the Fund were deducted by various withholding agents based on the interpretation issued by FBR vide letter C. No. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The taxes withheld on profit on bank deposits and profit on debt securities amount to Rs 0.612 million (2023: Rs 0.635 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding taxes deducted on profit received by the Fund on bank balances and on debt securities have been shown as other receivable as at June 30, 2024 as, in the opinion of the management, the amount of taxes deducted at source will likely be refunded.

8	PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2024	2023
			----- (Rupees in 000) -----	
	At the beginning of the year		320	554
	Less: Amortisation during the year	8.1	<u>(234)</u>	<u>(234)</u>
	At the end of the year		<u>86</u>	<u>320</u>

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are paid by NBP Fund Management Limited (a related party). These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

9	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY	Note	2024	2023
			----- (Rupees in 000) -----	
	Management fee payable	9.1	3,240	1,819
	Sindh sales tax payable on remuneration of the Management Company	9.2	421	236
	Allocated expenses payable	9.3	6,389	6,849
	Selling and marketing expenses payable	9.4	74,740	36,273
	Sales load payable		8,101	4,307
	Sindh sales tax payable on sales load		1,053	560
	ADC charges payable including Sindh sales tax		<u>1,055</u>	<u>420</u>
			<u>94,999</u>	<u>50,464</u>

9.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates:

2024			
Rate applicable from March 25, 2024 to June 30, 2024	Rate applicable from July 21, 2023 to March 24, 2024	Rate applicable from July 13, 2023 to July 20, 2023	Rate applicable from July 1, 2023 to July 12, 2023
0.8% on net income, subject to floor and capping of 0.1% and 1% per annum of the average net assets	1% on net income, subject to floor and capping of 0.1% and 1% per annum of the average net assets	0.7% on net income, subject to floor and capping of 0.1% and 1% per annum of the average net assets	0.5% on net income, subject to floor and capping of 0.1% and 1% per annum of the average net assets

2023		
Rate applicable from December 15, 2022 to June 30, 2023	Rate applicable from December 1, 2022 to December 14, 2022	Rate applicable from July 1, 2022 to November 30, 2022
0.5% on net income, subject to floor and capping of 0.1% and 1% per annum of the average net assets	1% on net income, subject to floor and capping of 0.1% and 1% per annum of the average net assets	2.25% on net income, subject to floor and capping of 0.3% and 1% per annum of the average net assets

9.2 During the year, an amount of Rs. 6.028 million (2023 Rs. 3.750 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2023: 13%).

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

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

2024		
Rate applicable from June 24, 2024 to June 30, 2024	Rate applicable from March 25, 2024 to June 23, 2024	Rate applicable from July 1, 2023 to March 24, 2024
0.07% per annum of average annual net assets	0.1% per annum of average annual net assets	0.125% per annum of average annual net assets

2023
Rate applicable from July 1, 2022 to June 30, 2023
0.125% per annum of average annual net assets

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

2024			
Rate applicable from April 9, 2024 to June 30, 2024	Rate applicable from March 25, 2024 to April 8, 2024	Rate applicable from July 21, 2023 to March 24, 2024	Rate applicable from July 1, 2023 to July 20, 2023
0.57% per annum of average annual net assets	0.15% per annum of average annual net assets	0.61% per annum of average annual net assets	0.67% per annum of average annual net assets

2023					
Rate applicable from April 07, 2023 to June 30, 2023	Rate applicable from March 10, 2023 to April 06, 2023	Rate applicable from December 15, 2022 to March 09, 2023	Rate applicable from December 06, 2022 to December 14, 2022	Rate applicable from December 01, 2022 to December 05, 2022	Rate applicable from July 01, 2022 to November 30, 2022
0.67% per annum of average annual net assets	0.55% per annum of average annual net assets	0.40% per annum of average annual net assets	0.35% per annum of average annual net assets	0.13% per annum of average annual net assets	0.02% per annum of average annual net assets

- 9.5 During the year, the Securities and Exchange Commission of Pakistan (SECP) carried out onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling & marketing expenses and allocated expenses to the funds under its management. As a result of this inspection, SECP raised certain observations relating to the chargeability of such expenses by the Management Company to the funds under its management. The Board of Directors of the Management Company has responded to the observations highlighted by the SECP and the management is engaged with SECP in this regard. Accordingly, the impact of the SECP's observations, if any, is not determinable as at the reporting date.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	2024	2023
			----- (Rupees in 000) -----	
	Trustee fee payable	10.1	1,159	1,001
	Sindh sales tax payable on the Trustee fee	10.2	151	130
			<u>1,310</u>	<u>1,131</u>

- 10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed charged under the following rates:

2024	2023
Rate applicable from July 1, 2023 to June 30, 2024	Rate applicable from July 1, 2022 to June 30, 2023
0.055% per annum of average annual net assets	0.055% per annum of average annual net assets

10.2 During the year, an amount of Rs. 1.798 million (2023: Rs. 1.242 million) was charged on account of sales tax at the rate of 13% (2023: 13%) on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024	2023
		----- (Rupees in 000) -----	
Fee payable	11.1	<u>1,590</u>	<u>3,475</u>

11.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% (2023: 0.02%) of the average annual net assets of the Fund.

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

12 ACCRUED EXPENSES AND OTHER LIABILITIES	2024	2023
	----- (Rupees in 000) -----	
Auditors' remuneration	592	521
Shariah advisory fee payable	5,932	2,617
Legal & professional charges payable	170	180
Withholding tax payable	23,631	14,143
Payable against printing charges	91	19
Bank and settlement charges payable	498	35
	<u>30,914</u>	<u>17,515</u>

13 CONTINGENCIES AND COMMITMENTS

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

14 NUMBER OF UNITS IN ISSUE	2024	2023
	----- (Number of units) -----	
Total units in issue at the beginning of the year	1,981,975,309	1,119,229,210
Units issued during the year	6,563,659,407	5,201,856,936
Less: units redeemed during the year	<u>6,073,918,064</u>	<u>4,339,110,837</u>
Total units in issue at the end of the year	<u>2,471,716,652</u>	<u>1,981,975,309</u>

15 AUDITORS' REMUNERATION	2024	2023
	----- (Rupees in 000) -----	
Annual audit fee	494	411
Half yearly review	135	112
Out of pocket expenses	99	145
	<u>728</u>	<u>668</u>

16 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 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 manners as explained above, no provision for taxation has been made in these 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.

17 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at June 30, 2024 is 1.07% (2023: 0.82%) which includes 0.11% (2023: 0.05%) representing government levies and the SECP fee. The TER excluding government levies is 0.96% (2023: 0.77%) which is within the maximum limit of 2% (2023: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a Shariah compliant money market scheme.

18 TOTAL DISTRIBUTION

The Fund makes distribution on daily basis as per clause 12.1 of the Trust Deed and clause 1.4 of the Offering Document and re-invests the distributed dividend as per clause 1.4 of the Offering Document. During the year ended June 30, 2024, the Management Company on behalf of the Fund, has distributed total profit earned during the year amounting to Rs 4,943.470 million as dividend after deducting applicable taxes.

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
July 01, 2023	0.0052	August 11, 2023	0.0054	September 21, 2023	0.0055
July 02, 2023	0.0052	August 12, 2023	0.0054	September 22, 2023	0.0055
July 03, 2023	0.0052	August 13, 2023	0.0054	September 23, 2023	0.0055
July 04, 2023	0.0052	August 14, 2023	0.0054	September 24, 2023	0.0055
July 05, 2023	0.0052	August 15, 2023	0.0054	September 25, 2023	0.0054
July 06, 2023	0.0053	August 16, 2023	0.0054	September 26, 2023	0.0055
July 07, 2023	0.0052	August 17, 2023	0.0055	September 27, 2023	0.0055
July 08, 2023	0.0053	August 18, 2023	0.0054	September 28, 2023	0.0055
July 09, 2023	0.0054	August 19, 2023	0.0055	September 29, 2023	0.0055
July 10, 2023	0.0053	August 20, 2023	0.0054	September 30, 2023	0.0055
July 11, 2023	0.0053	August 21, 2023	0.0055	October 1, 2023	0.0055
July 12, 2023	0.0053	August 22, 2023	0.0054	October 2, 2023	0.0054
July 13, 2023	0.0054	August 23, 2023	0.0055	October 3, 2023	0.0055
July 14, 2023	0.0054	August 24, 2023	0.0054	October 4, 2023	0.0054
July 15, 2023	0.0053	August 25, 2023	0.0055	October 5, 2023	0.0054
July 16, 2023	0.0054	August 26, 2023	0.0054	October 6, 2023	0.0055
July 17, 2023	0.0053	August 27, 2023	0.0054	October 7, 2023	0.0054
July 18, 2023	0.0054	August 28, 2023	0.0054	October 8, 2023	0.0054
July 19, 2023	0.0054	August 29, 2023	0.0054	October 9, 2023	0.0055
July 20, 2023	0.0053	August 30, 2023	0.0054	October 10, 2023	0.0054
July 21, 2023	0.0054	August 31, 2023	0.0054	October 11, 2023	0.0055
July 22, 2023	0.0054	September 1, 2023	0.0054	October 12, 2023	0.0054
July 23, 2023	0.0053	September 2, 2023	0.0055	October 13, 2023	0.0055
July 24, 2023	0.0054	September 3, 2023	0.0054	October 14, 2023	0.0055
July 25, 2023	0.0053	September 4, 2023	0.0054	October 15, 2023	0.0054
July 26, 2023	0.0054	September 5, 2023	0.0054	October 16, 2023	0.0055
July 27, 2023	0.0054	September 6, 2023	0.0054	October 17, 2023	0.0054
July 28, 2023	0.0054	September 7, 2023	0.0055	October 18, 2023	0.0055
July 29, 2023	0.0053	September 8, 2023	0.0054	October 19, 2023	0.0055
July 30, 2023	0.0054	September 9, 2023	0.0054	October 20, 2023	0.0055
July 31, 2023	0.0053	September 10, 2023	0.0055	October 21, 2023	0.0055
August 1, 2023	0.0054	September 11, 2023	0.0054	October 22, 2023	0.0055
August 2, 2023	0.0054	September 12, 2023	0.0055	October 24, 2023	0.0055
August 3, 2023	0.0066	September 13, 2023	0.0054	October 25, 2023	0.0055
August 4, 2023	0.0054	September 14, 2023	0.0055	October 26, 2023	0.0055
August 5, 2023	0.0054	September 15, 2023	0.0055	October 27, 2023	0.0057
August 6, 2023	0.0054	September 16, 2023	0.0054	October 28, 2023	0.0055
August 7, 2023	0.0055	September 17, 2023	0.0055	October 29, 2023	0.0055
August 8, 2023	0.0054	September 18, 2023	0.0055		
August 9, 2023	0.0054	September 19, 2023	0.0054		
August 10, 2023	0.0055	September 20, 2023	0.0055		

NBP ISLAMIC DAILY DIVIDEND FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
October 30, 2023	0.0055	December 29, 2023	0.0062	February 27, 2024	0.0053
October 31, 2023	0.0055	December 30, 2023	0.0054	February 28, 2024	0.0053
November 1, 2023	0.0055	December 31, 2023	0.0068	February 29, 2024	0.0053
November 2, 2023	0.0055	January 1, 2024	0.0054	March 1, 2024	0.0052
November 3, 2023	0.0055	January 2, 2024	0.0054	March 2, 2024	0.0054
November 4, 2023	0.0055	January 3, 2024	0.0054	March 3, 2024	0.0052
November 5, 2023	0.0055	January 4, 2024	0.0056	March 4, 2024	0.0053
November 6, 2023	0.0054	January 5, 2024	0.0053	March 5, 2024	0.0053
November 7, 2023	0.0055	January 6, 2024	0.0054	March 7, 2024	0.0019
November 8, 2023	0.0055	January 7, 2024	0.0053	March 8, 2024	0.0077
November 9, 2023	0.0055	January 8, 2024	0.0053	March 9, 2024	0.0053
November 10, 2023	0.0055	January 9, 2024	0.0054	March 10, 2024	0.0051
November 11, 2023	0.0054	January 10, 2024	0.0045	March 11, 2024	0.0054
November 12, 2023	0.0056	January 11, 2024	0.0060	March 12, 2024	0.0053
November 13, 2023	0.0055	January 12, 2024	0.0054	March 13, 2024	0.0054
November 14, 2023	0.0055	January 13, 2024	0.0055	March 14, 2024	0.0053
November 15, 2023	0.0055	January 14, 2024	0.0054	March 15, 2024	0.0054
November 16, 2023	0.0055	January 15, 2024	0.0054	March 16, 2024	0.0052
November 17, 2023	0.0055	January 16, 2024	0.0053	March 17, 2024	0.0053
November 18, 2023	0.0056	January 17, 2024	0.0055	March 18, 2024	0.0054
November 19, 2023	0.0055	January 18, 2024	0.0053	March 19, 2024	0.0054
November 20, 2023	0.0055	January 19, 2024	0.0054	March 20, 2024	0.0052
November 21, 2023	0.0055	January 20, 2024	0.0053	March 21, 2024	0.0052
November 22, 2023	0.0055	January 21, 2024	0.0064	March 22, 2024	0.0054
November 23, 2023	0.0055	January 22, 2024	0.0054	March 23, 2024	0.0053
November 24, 2023	0.0055	January 23, 2024	0.0054	March 24, 2024	0.0054
November 25, 2023	0.0055	January 24, 2024	0.0053	March 25, 2024	0.0054
November 26, 2023	0.0055	January 25, 2024	0.0054	March 26, 2024	0.0055
November 27, 2023	0.0055	January 26, 2024	0.0053	March 27, 2024	0.0053
November 28, 2023	0.0055	January 27, 2024	0.0059	March 28, 2024	0.0055
November 29, 2023	0.0055	January 28, 2024	0.0055	March 29, 2024	0.0055
November 30, 2023	0.0055	January 29, 2024	0.0054	March 30, 2024	0.0050
December 1, 2023	0.0054	January 30, 2024	0.0053	March 31, 2024	0.0054
December 2, 2023	0.0053	January 31, 2024	0.0056	April 1, 2024	0.0054
December 3, 2023	0.0053	February 1, 2024	0.0054	April 2, 2024	0.0055
December 4, 2023	0.0055	February 2, 2024	0.0053	April 3, 2024	0.0054
December 5, 2023	0.0054	February 3, 2024	0.0053	April 4, 2024	0.0055
December 6, 2023	0.0053	February 4, 2024	0.0053	April 5, 2024	0.0055
December 7, 2023	0.0055	February 5, 2024	0.0053	April 6, 2024	0.0052
December 8, 2023	0.0052	February 6, 2024	0.0053	April 7, 2024	0.0056
December 9, 2023	0.0054	February 7, 2024	0.0053	April 8, 2024	0.0055
December 10, 2023	0.0056	February 8, 2024	0.0065	April 9, 2024	0.0056
December 11, 2023	0.0055	February 9, 2024	0.0052	April 10, 2024	0.0053
December 12, 2023	0.0055	February 10, 2024	0.0053	April 11, 2024	0.0052
December 13, 2023	0.0054	February 11, 2024	0.0051	April 12, 2024	0.0053
December 14, 2023	0.0055	February 12, 2024	0.0053	April 13, 2024	0.0053
December 15, 2023	0.0055	February 13, 2024	0.0053	April 14, 2024	0.0053
December 16, 2023	0.0054	February 14, 2024	0.0051	April 15, 2024	0.0054
December 17, 2023	0.0055	February 15, 2024	0.0053	April 16, 2024	0.0053
December 18, 2023	0.0054	February 16, 2024	0.0054	April 17, 2024	0.0051
December 19, 2023	0.0055	February 17, 2024	0.0064	April 18, 2024	0.0052
December 20, 2023	0.0016	February 18, 2024	0.0046	April 19, 2024	0.0052
December 21, 2023	0.0081	February 19, 2024	0.0053	April 20, 2024	0.0038
December 22, 2023	0.0054	February 20, 2024	0.0053	April 21, 2024	0.0066
December 23, 2023	0.0053	February 21, 2024	0.0049	April 22, 2024	0.0054
December 24, 2023	0.0054	February 22, 2024	0.0053	April 23, 2024	0.0054
December 25, 2023	0.0054	February 23, 2024	0.0052	April 24, 2024	0.0054
December 26, 2023	0.0055	February 24, 2024	0.0052	April 25, 2024	0.0052
December 27, 2023	0.0054	February 25, 2024	0.0052	April 26, 2024	0.0052
December 28, 2023	0.0056	February 26, 2024	0.0053	April 27, 2024	0.0053

Payout date	Payout per unit Rupees	Payout date	Payout per unit Rupees	Payout date	Payout per unit Rupees
April 28, 2024	0.0052	May 20, 2024	0.0053	June 11, 2024	0.0055
April 29, 2024	0.0054	May 21, 2024	0.0053	June 12, 2024	0.0052
April 30, 2024	0.0054	May 22, 2024	0.0052	June 13, 2024	0.0050
May 1, 2024	0.0049	May 23, 2024	0.0053	June 14, 2024	0.0051
May 2, 2024	0.0053	May 24, 2024	0.0054	June 15, 2024	0.0051
May 3, 2024	0.0054	May 25, 2024	0.0055	June 16, 2024	0.0052
May 4, 2024	0.0052	May 26, 2024	0.0053	June 17, 2024	0.0052
May 5, 2024	0.0052	May 27, 2024	0.0053	June 18, 2024	0.0051
May 6, 2024	0.0053	May 28, 2024	0.0053	June 19, 2024	0.0052
May 7, 2024	0.0053	May 29, 2024	0.0051	June 20, 2024	0.0051
May 8, 2024	0.0053	May 30, 2024	0.0053	June 21, 2024	0.0049
May 9, 2024	0.0053	May 31, 2024	0.0053	June 22, 2024	0.0051
May 10, 2024	0.0052	June 1, 2024	0.0053	June 23, 2024	0.0052
May 11, 2024	0.0051	June 2, 2024	0.0053	June 24, 2024	0.0053
May 12, 2024	0.0053	June 3, 2024	0.0053	June 25, 2024	0.0050
May 13, 2024	0.0053	June 4, 2024	0.0054	June 26, 2024	0.0051
May 14, 2024	0.0053	June 5, 2024	0.0051	June 27, 2024	0.0048
May 15, 2024	0.0052	June 6, 2024	0.0054	June 28, 2024	0.0052
May 16, 2024	0.0052	June 7, 2024	0.0052	June 29, 2024	0.0055
May 17, 2024	0.0053	June 8, 2024	0.0053	June 30, 2024	0.0054
May 18, 2024	0.0053	June 9, 2024	0.0053		
May 19, 2024	0.0053	June 10, 2024	0.0053		

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 19.1** 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 and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 19.2** Transactions with connected persons / related parties are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 19.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 19.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 19.5** Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company subject to the maximum prescribed Total Expense Ratio.

19.6 Details of the transactions with related parties / connected persons during the year are as follows:

	2024	2023
	----- Rupees in '000 -----	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	46,367	28,847
Sindh sales tax on remuneration of the Management Company	6,028	3,750
Reimbursement of allocated expenses	29,518	21,720
Reimbursement of selling and marketing expense	146,563	66,891
Sales and transfer load	10,010	4,144
Sindh sales tax on sales and transfer load	1,301	539
ADC charges including Sindh sales tax	1,426	406

	2024	2023
	----- Rupees in '000 -----	
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	13,829	9,557
Sindh sales tax on remuneration of the Trustee	1,798	1,242
National Bank of Pakistan - Parent company		
Profit on bank balances	19,542	28,906
K-Electric Limited - common directorship		
Short term sukuks purchased: 2,550 units (2023: 30,177 units)	2,550,000	26,955,528
Short term sukuks sold / redeemed: 3,455 units (2023: 29,222 units)	3,455,060	26,671,895
Profit received on Short term sukuks	349,090	284,778
Key management personnel of the Management Company		
Dividend re-invested: 665,092 units (2023: 455,728 units)	6,651	4,557
Units issued: 11,720,157 units (2023: 7,750,152 units)	117,202	77,502
Units redeemed: 13,443,381 units (2023: 6,766,562 units)	134,434	67,666
Baltoro Partners (Private) Limited - common directorship		
Dividend re-invested: 37,665 units (2023: 29,223 units)	377	292
Units issued: Nil (2023: 418,708 units)	-	4,187
Units redeemed: 480,000 units (2023: Nil)	4,800	-
Portfolio managed by the Management Company		
Dividend re-invested: 4,680,210 units (2023: 3,580,972 units)	46,802	35,808
Units issued: 103,111,776 units (2023: 96,836,952 units)	1,031,118	968,371
Units redeemed: 124,317,399 units (2023: 103,968,222 units)	1,243,173	1,039,682
Lucky Electric Pakistan Company Limited		
Short term sukuks purchased	1,625,000	-
Profit income on short term sukuks	180,418	-
NAFA Islamic Capital Preservation Plan - I		
Dividend re-invested: Nil (2023: 350,602 units)	-	3,506
Units redeemed: Nil (2023: 3,550,041 units)	-	35,500
NAFA Islamic Capital Preservation Plan - II		
Dividend re-invested: Nil (2023: 39,823 units)	-	398
Units redeemed: Nil (2023: 318,537 units)	-	3,185
NAFA Islamic Capital Preservation Plan - III		
Dividend re-invested: Nil (2023: 201,832 units)	-	2,018
Units redeemed: Nil (2023: 1,614,421 units)	-	16,144
NAFA Islamic Capital Preservation Plan - IV		
Dividend re-invested: Nil (2023: 56,472 units)	-	565
Units redeemed: Nil (2023: 1,036,040 units)	-	10,360
NBP Islamic Capital Preservation Plan - V		
Dividend re-invested: Nil (2023: 197,977 units)	-	1,980
Units redeemed: Nil (2023: 1,583,591 units)	-	15,836

	2024	2023
	----- Rupees in '000 -----	
NBP Islamic Capital Preservation Plan - VI		
Dividend re-invested: 21,700 units (2023: 912,874 units)	217	9,129
Units issued: Nil (2023: 11,740,800 units)	-	117,408
Units redeemed: 625,374 units (2023: 12,050,000 units)	6,254	120,500
Fauji Fertilizer Company Limited - common directorship		
Dividend re-invested: 30,951,273 units (2023: 2,607,898 units)	309,513	26,079
Units issued: 1,093,193,927 units (2023: 374,756,764 units)	10,931,939	3,747,568
Units redeemed: 926,940,559 units (2023: 377,364,662 units)	9,269,406	3,773,647
19.7 Amounts / balances outstanding as at year end are as follows:		
NBP Fund Management Limited - the Management Company		
Remuneration payable to the Management Company	3,240	1,819
Sindh sales tax on remuneration of the Management Company	421	236
Allocated expenses payable	6,389	6,849
Selling and marketing expenses payable	74,740	36,273
Sales load payable to Management Company	8,101	4,307
Sindh sales tax payable on sales load	1,053	560
ADC charges payable including Sindh sales tax	1,055	420
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable to the Trustee	1,159	1,001
Sindh sales tax payable on Trustee remuneration	151	130
Security deposit with the Central Depository Company of Pakistan Limited	100	100
National Bank of Pakistan - Parent company		
Bank balance	2,899	14,847
Profit receivable	1	271
Key management personnel of the Management Company *		
Units held: 2,888,926 units (2023: 3,928,963 units)	28,889	39,290
Fauji Fertilizer Company Limited - common directorship		
Units held: 197,204,641 units (2023: Nil)	1,972,046	-
Portfolio managed by the Management Company		
Units held: 18,600,193 units (2023: 35,125,606 units)	186,002	351,256
K-Electric Limited - common directorship		
Short term sukuks held: 750 units (2023: 1,655 units)	750,000	1,655,000
Profit receivable on short term sukuks	76,428	86,660
NBP Islamic Capital Preservation Plan - VI		
Units held: Nil (2023: 603,674 units)	-	6,037
Baltoro Partners (Private) Limited - common directorship		
Units held: 5,970 units (2023: 448,305 units)	60	4,483

19.8 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

	Note	2024	2023
20 CASH AND CASH EQUIVALENTS		----- Rupees in '000 -----	
Bank balances	4	5,706,864	8,651,435
Certificates of musharakah	5.1	-	3,000,000
Term deposit receipts	5.5	8,970,000	4,300,000
		14,676,864	15,951,435

21 FINANCIAL INSTRUMENTS BY CATEGORY

2024		
At fair value through profit or loss	At amortised cost	Total
-----Rupees in '000-----		

Financial assets

Bank balances	-	5,706,864	5,706,864
Investments	18,509,771	-	18,509,771
Profit receivable	-	628,322	628,322
Deposits	-	100	100
	18,509,771	6,335,286	24,845,057

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	-	94,999	94,999
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	1,310	1,310
Accrued expenses and other liabilities	-	7,283	7,283
	-	103,592	103,592

2023		
At fair value through profit or loss	At amortised cost	Total
-----Rupees in '000-----		

Financial assets

Bank balances	-	8,651,435	8,651,435
Investments	10,936,190	-	10,936,190
Profit receivable	-	305,278	305,278
Deposits	-	100	100
	10,936,190	8,956,813	19,893,003

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	-	50,464	50,464
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	1,131	1,131
Payable against redemption of units	-	1,788	1,788
Accrued expenses and other liabilities	-	3,372	3,372
	-	56,755	56,755

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on the limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk, and price risk.

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2024, the Fund is exposed to such risk on bank balances, term deposit receipts, corporate sukuk certificates, GoP ijarah sukuks and bai muajjal. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances, corporate sukuk certificates and term deposit receipts which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been lower / higher by Rs. 228.539 million (2023: Rs. 176.471 million).

b) Sensitivity analysis for fixed rate instruments

The Fund's fixed rate risk arises from investments in bai muajjal. In case of 100 basis points increase / decrease in rates as on June 30, 2024, with all other variables held constant, the net income for the year and net assets of the Fund would have been lower / higher by Rs. 10.598 million (2023: Rs. 16.812 million).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

----- 2024 -----					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

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

Financial assets

Bank balances	10.00% - 19.10%	5,403,938	-	-	302,926	5,706,864
Investments	19.75% - 23.14%	13,170,900	5,338,871	-	-	18,509,771
Profit receivable		-	-	-	628,322	628,322
Deposits		-	-	-	100	100
		18,574,838	5,338,871	-	931,348	24,845,057

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	94,999	94,999
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	1,310	1,310
Accrued expenses and other liabilities		-	-	-	7,283	7,283
		-	-	-	103,592	103,592

On-balance sheet gap

18,574,838 5,338,871 - 827,756

Total profit rate sensitivity gap

18,574,838 5,338,871 -

Cumulative profit rate sensitivity gap

18,574,838 23,913,709 23,913,709

----- 2023 -----					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

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

Financial assets

Bank balances	10.00% - 20.50%	8,392,078	-	-	259,357	8,651,435
Investments	19.90% - 22.82%	10,256,190	680,000	-	-	10,936,190
Profit receivable		-	-	-	305,278	305,278
Deposits		-	-	-	100	100
		18,648,268	680,000	-	564,735	19,893,003

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	50,464	50,464
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	1,131	1,131
Payable against redemption of units		-	-	-	1,788	1,788
Accrued expenses and other liabilities		-	-	-	3,372	3,372
		-	-	-	56,755	56,755

On-balance sheet gap

18,648,268 680,000 - 507,980

Total profit rate sensitivity gap

18,648,268 680,000 -

Cumulative profit rate sensitivity gap

18,648,268 19,328,268 19,328,268

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund does not hold any instruments that expose it to price risk as of June 30, 2024 and June 30, 2023.

22.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active or over the counter market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement subject to the maximum limit which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the liabilities that are payable on demand have been included in the maturity grouping of one month:

----- 2024 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
----- Rupees in '000 -----						
Payable to NBP Fund Management Limited - the Management Company	94,999	-	-	-	-	94,999
Payable to Central Depository Company of Pakistan Limited - the Trustee	1,310	-	-	-	-	1,310
Accrued expenses and other liabilities	6,691	592	-	-	-	7,283
	103,000	592	-	-	-	103,592

2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees in '000						
Payable to NBP Fund Management Limited - the Management Company	50,464	-	-	-	-	50,464
Payable to Central Depository Company of Pakistan Limited - the Trustee	1,131	-	-	-	-	1,131
Payable against redemption of units	1,788	-	-	-	-	1,788
Accrued expenses and other liabilities	2,851	521	-	-	-	3,372
	56,234	521	-	-	-	56,755

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Payable against redemption of units
Accrued expenses and other liabilities

22.3 Credit risk

22.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

2024		2023	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and	Maximum exposure to credit risk
Rupees in '000			
Bank balances	5,706,864	5,706,864	8,651,435
Investments	18,509,771	14,747,835	10,936,190
Profit receivable	628,322	523,520	305,278
Deposits	100	100	100
	24,845,057	20,978,319	19,893,003

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Investment in Gop ijarah sukuks and related profit receivable, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

22.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, profit accrued thereon, investment in corporate sukuk certificates, term deposit receipts and bai muajjal receivable. The credit rating profile of banks, profit accrued thereon, investment in corporate sukuk certificates, term deposit receipts and bai muajjal receivable are as follows:

Rating	2024	2023
	% of financial assets exposed to credit risk	
Bank balances and accrued profit thereon		
AAA	8.43%	39.87%
AA+	-	0.07%
AA	14.77%	0.25%
AA-	0.18%	1.30%

	2024	2023
	% of financial assets exposed to credit risk	
Bai muajjal receivable		
A1+	4.27%	7.96%
Corporate sukuk certificates		
A-1+	14.16%	9.75%
A-1	4.83%	-
Certificates of musharakah		
A-1+	-	14.29%
Term deposit receipts		
AAA	22.32%	-
AA+	-	18.21%
AA	13.88%	2.41%

23 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.

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.

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.

23.1 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).

As at June 30, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

	----- 2024 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
ASSETS				
Financial assets 'at fair value through profit or loss'				
Investment in:				
Term deposit receipts*	-	8,970,000	-	8,970,000
Government securities - Ijara Sukuks	2,761,036	1,000,900	-	3,761,936
Corporate sukuk certificates*	-	4,718,000	-	4,718,000
Bai muajjal**	-	1,059,835	-	1,059,835
	<u>2,761,036</u>	<u>15,748,735</u>	<u>-</u>	<u>18,509,771</u>

	2023			
	Level 1	Level 2	Level 3	Total
ASSETS	----- Rupees in '000 -----			
Financial assets 'at fair value through profit or loss'				
Investment in:				
Term deposit receipts*	-	4,300,000	-	4,300,000
Corporate sukuk certificates*	-	1,955,000	-	1,955,000
Certificates of musharakah*	-	3,000,000	-	3,000,000
Bai muajjal**	-	1,681,190	-	1,681,190
	-	10,936,190	-	10,936,190

* 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.

** The valuation of Bai Muajjal receivable have been carried out based on amortisation to their face value / sale price as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit ratings.

24 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

25 UNIT HOLDING PATTERN OF THE FUND

Category	June 30, 2024			June 30, 2023		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	2,289	6,213,662	25.14%	1,359	4,184,064	21.11%
Associated Company & Directors	2	1,972,106	7.98%	1	4,483	0.02%
Insurance companies	5	179,645	0.72%	7	151,545	0.76%
Banks & DFIs	1	5,065	0.02%	-	-	0.00%
NBFCs	3	109,637	0.44%	4	58,343	0.29%
Retirement funds	71	1,936,457	7.83%	49	2,370,205	11.96%
Public limited companies	11	6,496,039	26.29%	7	2,360,413	11.91%
Others	140	7,804,456	31.58%	103	10,690,646	53.94%
	2,522	24,717,067	100.00%	1,530	19,819,699	100.00%

26 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2024 -----		----- 2023 -----	
Name of Brokers	Percentage of commission paid	Name of Brokers	Percentage of commission paid
J.S. Global Capital Limited	23.31%	Bright Capital (Private) Limited	51.75%
AKD Securities Limited	22.29%	Alfalah CLSA Securities (Private) Limited	19.52%
Pearl Securities Limited	21.11%	Pearl Securities Limited	15.59%
Magenta Capital (Private) Limited	20.52%	Magenta Capital (Private) Limited	4.98%
Bright Capital (Private) Limited	6.38%	Invest One Markets Limited	3.39%
Invest One Markets Limited	3.53%	C&M Management (Private) Limited	1.97%
Alfalah CLSA Securities (Private) Limited	1.54%	Paramount Capital (Private) Limited	1.72%
Paramount Capital (Private) Limited	1.32%	J.S. Global Capital Limited	1.08%
	<u>100.00%</u>		<u>100.00%</u>

26.1 The Fund has traded with only the above mentioned eight brokers during 2024 and 2023.

27 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	36
Asim Wahab Khan	Chief Investment Officer	CFA	18
Salman Ahmed (note 26.1)	Head of Fixed Income	CFA	19
Hassan Raza	Head of Research	ACCA / BSC / CFA	13
Usama Bin Razi	Senior Manager Fixed Income	BE, MBA	20

27.1 The name of the Fund Manager is Salman Ahmed. Other funds being managed by the Fund Manager are as follows:

- NBP Money Market Fund
- NBP Riba Free Savings Fund
- NBP Islamic Mahana Amdani Fund
- NBP Islamic Savings Fund
- NBP Islamic Income Fund
- NBP Islamic Money Market Fund
- NBP Islamic Mustahkam Fund
- NBP Government Securities Liquid Fund
- NBP Government Securities Savings Fund
- NBP Mahana Amdani Fund
- NBP Financial Sector Income Fund
- NBP Income Opportunity Fund
- NBP Savings Fund
- NBP Mustahkam Fund
- NBP Mustahkam Fund - II
- NBP Income Fund of Fund
- NBP Government Securities Fund - I
- NBP Islamic Government Securities Fund - I

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 92nd, 93rd, 94th, 95th, 96th and 97th Board Meetings were held on July 12, 2023, September 15, 2023, September 23, 2023, October 30, 2023, February 29, 2024 and April 25, 2024, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave Granted	
Shaikh Muhammad Abdul Wahid Sethi	6	6	-	-
Tauqeer Mazhar	6	5	1	94th Meeting
Mehnaz Salar	6	6	-	-
Ali Saigol	6	6	-	-
Imran Zaffar	6	5	1	92nd Meeting
Khalid Mansoor	6	6	-	-
Saad Amanullah Khan	6	6	-	-
Ruhail Muhammad	6	6	-	-
Dr. Amjad Waheed	6	6	-	-

29 GENERAL

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

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2024.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

Particulars	For the Period ended June 30, 2024	For the Period ended June 30, 2023	For the Period ended June 30, 2022	For the Period ended June 30, 2021	For the Period ended June 30, 2020
Net assets (Rs. '000')	24,717,067	19,819,699	11,192,294	13,292,072	8,243,147
Net Income / (loss) (Rs. '000')	4,943,470	2,915,284	1,105,534	869,643	228,167
Net Asset Value per units (Rs.)	10.0000	10.0000	10.0000	10.0000	10.0000
Offer price per unit	10.1130	10.1130	10.1130	10.1130	10.0565
Redemption price per unit	10.0000	10.0000	10.0000	10.0000	
Ex - Highest offer price per unit (Rs.)	10.1130	10.1130	10.11	10.1111	10.0565
Ex - Lowest offer price per unit (Rs.)	8.3105	8.6588	9.23	9.4377	9.3548
Ex - Highest redemption price per unit (Rs.)	10.0000	10.0000	10.00	9.9981	10.0000
Ex - Lowest redemption price per unit (Rs.)	8.2176	8.5620	9.12	9.3847	9.3023
Opening Nav of Fiscal Year	8.2133	8.5586	9.12	9.3828	9.3023
Total return of the fund	21.69%	16.86%	9.61%	6.55%	7.50%
Capital growth	2.00%	1.29%	0.43%	0.20%	0.27%
Income distribution as a % of e x nav	19.69%	15.57%	9.18%	6.35%	7.23%
Income distribution as a % of par value	19.69%	15.57%	9.18%	6.35%	7.23%
Interim distribution per unit	1.9688	1.5568	0.9181	0.6351	0.7234
Final distribution per unit					-
Distribution dates					
Interim	Daily	Daily	Daily	Daily	Daily
Final					
Average annual return (launch date 01-11-19) (Since inception to June 30, 2024)	13.24%	11.03%	8.92%	8.51%	11.31%
Portfolio Composition (Please see Fund Manager Report)					
Weighted average portfolio duration	36 Days	15 Days	6 Days	11 Days	

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