

**NBP FUNDS**

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگ

**NBP Fund Management Limited**



# NBP ISLAMIC MUSTAHKAM 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
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
Mr. Faisal Ahmed*	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 Shahr-e-Faisal, Karachi.

### Bankers to the Fund

Habib Bank Limited  
United Bank Limited  
Allied Bank Limited  
Bank Alfalah Limited  
Dubai Islamic Bank Limited  
Faysal Islamic Bank Limited

## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

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



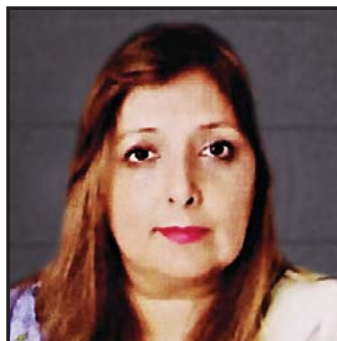
**Mr. Faisal Ahmed\***  
Director



**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 1st Annual Report of NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan-III (NIFTMP-III), NBP Islamic Fixed Term Munafa Plan-V (NIFTMP-V), and NBP Islamic Fixed Term Munafa Plan-VI (NIFTMP-VI), for the year ended June 30, 2024.

### NBP ISLAMIC MUSTAHKAM FUND - NBP ISLAMIC FIXED TERM MUNAFA PLAN - III (NIFTMP-III)

#### Fund's Performance

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.

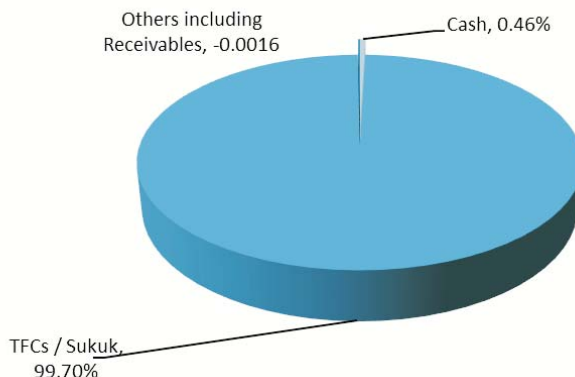
The market witnessed some fresh issuance of short-term corporate sukuks mainly in the Power sector to meet the increasing funding requirements.

NIFTMP-III is categorized as a Shariah Compliant Fixed Rate/Return Plan with a stability rating of 'AAA (f)'. The objective is to ensure that the original amount of investment is protected while having the potential to yield positive return to investors as maturity of the plan.

The fund NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - III was launched on May 23, 2024 and closed at Rs. 2,783 million on June 30, 2024. During the period, the unit price of the Fund has increased from Rs 9.7836 (Ex-Div) since inception to Rs. 10.0441, thus showing a return of 25.58% as compared to the benchmark return of 19.25%. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 75.984 million during the year. After deducting total expenses of Rs. 3.641 million, the net income is Rs. 72.343 million.

The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIFTMP-III.



## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 2.212% of the opening ex-NAV (2.212% of the par value) for the period from May 23, 2024 to June 30, 2024.

### NBP ISLAMIC MUSTAHKAM FUND - NBP ISLAMIC FIXED TERM MUNAFA PLAN - V (NIFTMP-V)

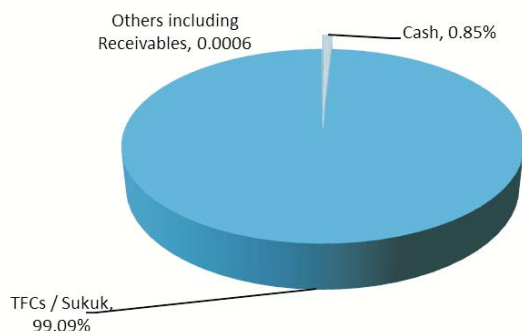
## Fund's Performance

NIFTMP-V is categorized as a Shariah Compliant Fixed Rate/Return Plan. The fund aims to provide investors with potentially higher returns, for fixed tenure by investing primarily in Shariah Compliant Fixed Income instruments. The Fund primarily invests in Shariah Compliant: government securities, cash at bank with licensed Islamic banks and/or Islamic branches/windows of Conventional banks.

The fund NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - V was launched on January 23, 2024 and closed at Rs. 589 million on June 30, 2024. During the period, the unit price of the Fund has increased from Rs 9.3327 (Ex-Div) since inception to Rs. 10.0537, thus showing a return of 17.73% as compared to the benchmark return of 11.10%. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 48.521 million during the year. After deducting total expenses of Rs. 3.308 million, the net income is Rs. 45.213 million.

The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIFTMP-V.



## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 7.150% of the opening ex-NAV (7.150% of the par value) for the period from January 23, 2024 to June 30, 2024.

### NBP ISLAMIC MUSTAHKAM FUND - NBP ISLAMIC FIXED TERM MUNAFA PLAN - VI (NIFTMP-VI)

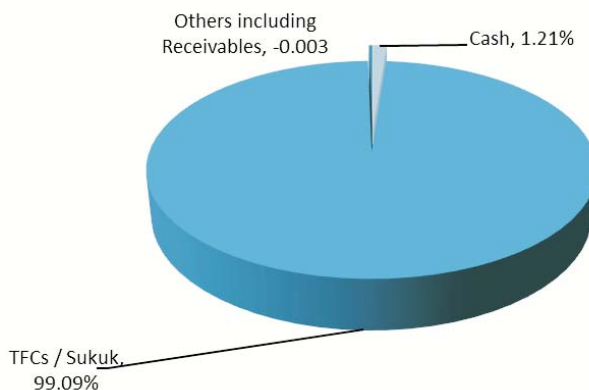
## Fund's Performance

The fund NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - VI was launched on April 25, 2024 and closed at Rs. 1,154 million on June 30, 2024. During the period, the unit price of the Fund has increased from Rs 9.6505 (Ex-Div) since inception to Rs. 10.0435, thus showing a return of 22.52% as compared to the benchmark return of 11.11%. The performance of the Fund is net of management fee and all other expenses.

NIFTMP-VI is categorized as a Shariah Compliant Fixed Rate/Return Plan. The objective is to ensure that the original amount of investment is protected while having the potential to yield positive return to investors as maturity of the plan.

The Fund has earned a total income of Rs. 47.690 million during the year. After deducting total expenses of Rs. 2.404 million, the net income is Rs. 45.286 million.

The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIFTMP-VI.



## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 3.622% of the opening ex-NAV (3.622% of the par value) for the period from April 25, 2024 to June 30, 2024.

## Taxation

As the above cash dividend is more than 90% of the income earned during the year, as reduced by accumulated losses and capital gains, whether realized or unrealized, 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, retired and, being eligible, offer themselves for re-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 26 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 24 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 18 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
<b>Independent Directors</b>	<ol style="list-style-type: none"> <li>1. Mr. Khalid Mansoor</li> <li>2. Mr. Saad Amanullah Khan</li> <li>3. Mr. Ruhail Muhammad</li> </ol>
<b>Executive Director</b>	Dr. Amjad Waheed - Chief Executive Officer
<b>Non-Executive Directors</b>	<ol style="list-style-type: none"> <li>1. Shaikh Muhammad Abdul Wahid Sethi (Chairman)</li> <li>2. Mr. Tauqeer Mazhar</li> <li>3. Ms. Mehnaz Salar</li> <li>4. Mr. Ali Saigol</li> <li>5. Mr. Imran Zaffar</li> </ol>

## 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 منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لئے NBP اسلامک مستحکم فنڈ-NBP اسلامک فیکسڈ ٹرم منافع پلان-III (NIFTMP-III)، NBP اسلامک فیکسڈ ٹرم منافع پلان-V (NIFTMP-V) اور NBP اسلامک فیکسڈ ٹرم منافع پلان-VI (NIFTMP-VI) کی پہلی سالانہ رپورٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

### NBP اسلامک مستحکم فنڈ-NBP اسلامک فیکسڈ ٹرم منافع پلان-III (NIFTMP-III) پلان کی کارکردگی

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 شکس، بنیادی اثرات، اور عالمی اجناس کی قیمتوں میں اتار چڑھاؤ کی وجہ سے قیمتوں میں عدم استحکام لا سکتے 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۔

مثبت بات یہ ہے کہ کرنٹ اکاؤنٹ خسارے میں کمی، آپریشنل 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 ایف ایف) پروگرام کے حوالے سے کامیاب مذاکرات نے اضافی کثیرالجہتی اور دو طرفہ آمد، زرمبادلہ کے ذخائر کو مضبوط بنانے اور قریب مدتی بیرونی فنانسنگ 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۔

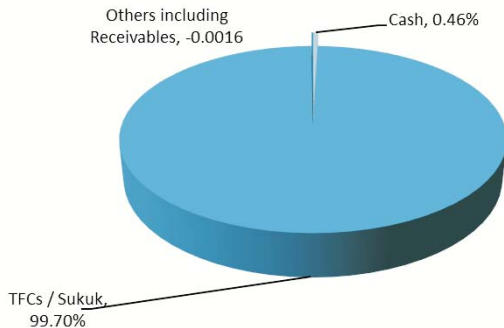
مارکیٹ میں بنیادی طور پر پاور سیکلز میں فنڈنگ کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لئے چند نئے قلیل مدتی کارپوریٹ سیکورٹیز کا اجراء دیکھا گیا

NIFTMP-III کو 'AAA(f)' کی اسٹیٹسٹی ریٹنگ کے ساتھ شریعہ کمپلیٹ فیکسڈ ریٹ / ریٹرن پلان کے طور پر درجہ بندی کی گئی ہے۔ اس کا مقصد یہ یقینی بنانا ہے کہ سرمایہ کاری کی اصل رقم محفوظ ہے جبکہ منصوبے کی میچورٹی کے طور پر سرمایہ کاروں کو مثبت شرح منافع دینے کی صلاحیت ہو۔

NBP اسلامک مستحکم فنڈ-NBP اسلامک فیکسڈ ٹرم منافع پلان-III 23 مئی 2024 کو آغاز کیا گیا اور 30 جون 2024 کو 2,783 ملین روپے پر بند ہوا۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت اپنے آغاز (Ex-Div) 9.7836 روپے سے بڑھ کر (Ex-Div) 10.0441 روپے ہو گئی، لہذا 19.25 فیصد سٹیج مارک ریٹرن کے مقابلے 25.58 فیصد کار ریٹرن ظاہر کیا۔ فنڈ کی یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے علاوہ خالص ہے۔

فنڈ کو مدت کے دوران 75.984 ملین روپے کی کل آمدنی ہوئی ہے۔ 3.641 ملین روپے کے اخراجات متہا کرنے کے بعد، خالص آمدنی 72.343 ملین روپے ہے۔

درج ذیل چارٹ NIFTMP-III کی ہر ایک ذیلی کلاسوں کی ایسٹ ایبلویشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



### آمدنی کی تقسیم

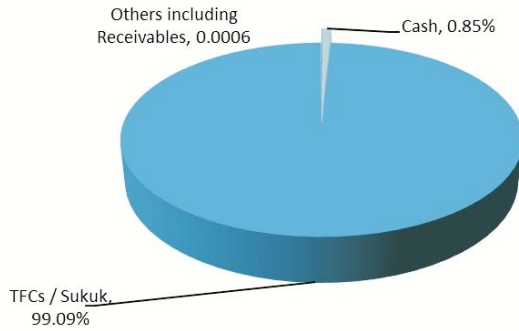
منیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 23 مئی 2024 سے 30 جون 2024 تک کی مدت کے دوران اوپننگ ex-NAV 2.212 فیصد (بنیادی قیمت کا 2.212 فیصد) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## NBP اسلامک مستحکم فنڈ، NBP اسلامک فکسڈ ٹرم منافع پلان-V (NIFTMP-V) فنڈ کی کارکردگی

NIFTMP-V کو شریعت کے مطابق طے شدہ فکسڈ ریٹ / ریٹرن پلان کے طور پر درجہ بندی کیا گیا ہے۔ اس فنڈ کا مقصد سرمایہ کاروں کو ممکنہ طور پر زیادہ منافع فراہم کرنا ہے، بنیادی طور پر شریعہ کمپلائنس فکسڈ انکم انسٹرومنٹس میں سرمایہ کاری کر کے مقررہ مدت کے لئے۔ یہ فنڈ بنیادی طور پر سرکاری سیکورٹیز، لائسنس یافتہ اسلامی بینکوں کے ساتھ بینک میں نقد رقم اور / یا روایتی بینکوں کی اسلامی شاخوں / ونڈ شریعت کے مطابق سرمایہ کاری کرتا ہے۔

NBP اسلامک مستحکم فنڈ، NBP اسلامک فکسڈ ٹرم منافع پلان-V کا 23 جنوری 2024 کو آغاز کیا گیا اور 30 جون 2024 کو 589 ملین روپے پر بند ہوا۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت اپنے آغاز (Ex-Div) 9.3327 روپے سے بڑھ کر 10.0537 روپے ہو گئی، لہذا 11.10 فیصد بیچ مارک ریٹرن کے مقابلے 17.73 فیصد کار ریٹرن ظاہر کیا۔ فنڈ کی یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے علاوہ خالص ہے۔

فنڈ کو مدت کے دوران 48.521 ملین روپے کی کل آمدنی ہوئی ہے۔ 3.308 ملین روپے کے اخراجات منہا کرنے کے بعد، خالص آمدنی 45.213 ملین روپے ہے۔  
درج ذیل چارٹ NIFTMP-V کی ہر ایک ذیلی کلاسوں کی ایٹ ایلوکیشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



### آمدنی کی تقسیم

بینچسٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 23 جنوری 2024 سے 30 جون 2024 تک کی مدت کے دوران اوپننگ ex-NAV کا 7.150 فیصد (بنیادی قیمت کا 7.150 فیصد) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

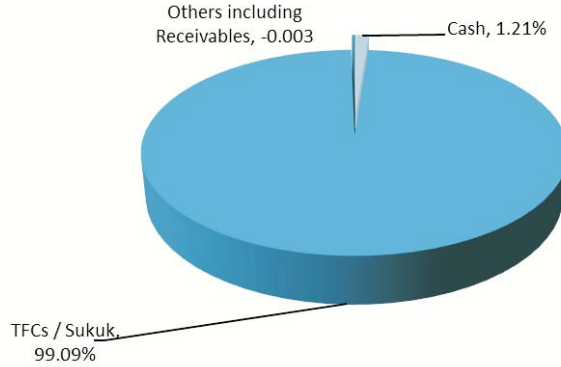
## NBP اسلامک مستحکم فنڈ، NBP اسلامک فکسڈ ٹرم منافع پلان-VI (NIFTMP-VI)

NBP اسلامک مستحکم فنڈ، NBP اسلامک فکسڈ ٹرم منافع پلان-VI کا 25 اپریل 2024 کو آغاز کیا گیا اور 30 جون 2024 کو 1,154 ملین روپے پر بند ہوا۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت اپنے آغاز (Ex-Div) 9.6505 روپے سے بڑھ کر 10.0435 (Ex-Div) روپے ہو گئی، لہذا 11.11 فیصد بیچ مارک ریٹرن کے مقابلے 22.52 فیصد کار ریٹرن ظاہر کیا۔ فنڈ کی یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے علاوہ خالص ہے۔

NIFTMP-VI کو 'AAA(f)' کی اسٹیٹام کی درجہ بندی کے ساتھ شریعہ کمپلائنس فکسڈ ریٹ / ریٹرن پلان کے طور پر درجہ بندی کیا گیا ہے۔ اس کا مقصد یہ یقینی بنانا ہے کہ سرمایہ کاری کی اصل رقم کا تحفظ کیا جائے جبکہ منصوبے کی پیشنگی کے طور پر سرمایہ کاروں کو مثبت منافع دینے کی صلاحیت ہو۔

فنڈ کو مدت کے دوران 47.690 ملین روپے کی کل آمدنی ہوئی ہے۔ 2.404 ملین روپے کے اخراجات منہا کرنے کے بعد، خالص آمدنی 45.286 ملین روپے ہے۔

درج ذیل چارٹ NIFTMP-VI کی ہر ایک ذیلی کلاسوں کی ایسٹ ایلوکیشن اور اوسط کریڈٹ ریٹنگ کی نمائندگی کرتا ہے:



## آمدنی کی تقسیم

میجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 25 اپریل 2024 سے 30 جون 2024 تک کی مدت کے دوران اوپننگ ex-NAV کا 3.622 فیصد (بنیادی قیمت کا 3.622 فیصد) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## ٹیکسیشن

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 ایک ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

## آڈیٹرز

موجودہ آڈیٹرز، میسرز ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2025 کو ختم ہونے والے سال کی دوبارہ ترقی کے لئے خود کو پیش کرتے ہیں۔

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

- میجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلواور پوائنٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 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۔
- انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- اس مدت کے دوران میجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کی گئی ہے۔
- پوائنٹ ہولڈنگ کا تفصیلی پیئر ان مالیاتی گوشواروں کے نوٹ 24 میں ظاہر کیا گیا ہے۔
- 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 پینس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 18 میں ظاہر کی گئی ہے۔



13 • کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2024 کو بورڈ آف ڈائریکٹرز و وجوہات کے تحت متعلقہ ارکان پر مشتمل ہیں

نام	کےٹگری
•1 جناب خالد منصور •2 جناب سعد امان اللہ خان •3 جناب روہیل محمد	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
•1 شیخ محمد عبدالواحد سیٹھی (چیئر مین) •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 ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

**NBP** ڈیٹا 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 Mustahkam 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 Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - III

NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - III (NIFTMP-III) is an Open-End Shariah Compliant Fixed Rate / Return Plan.

#### Investment Objective of the Fund

To ensure that the original amount of investment is protected while having the potential to yield positive return to investors as maturity of the Plan.

#### Benchmark

Average PKISRV Rates of up to 1 Year.

#### Fund Performance Review

This is the 1st Annual report since the launch of the Fund on May 23, 2023. The Fund size stands at Rs. 2,783 million as of June 30, 2024. Since its inception, the Fund posted a return of 25.6% p.a. versus the benchmark return of 19.3% p.a. outperforming by 6.3%. This performance is net of management fee and all other expenses.

The Plan is awarded a stability rating of AAA (f). The Plan has invested in GOP Ijarah Sukuk in line with the maturity of the plan, in order to deliver higher returns, for fixed tenure to its unit holders. NIFTMP-III has an initial maturity of around 1 year.

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
GOP Ijara Sukuk	99.70%
Cash & Other Assets	0.3%
<b>Total</b>	<b>100%</b>

#### Distribution for the Financial Year 2024

Interim Period/ Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-24	2.212%	10.2212	10

## Unit Holding Pattern of NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - III as on June 30, 2024

Size of Unit Holding (Units)	# of Unit Holders
1-1000	0
1001-5000	
5001-10000	
10001-50000	1
50001-100000	8
100001-500000	42
500001-1000000	16
1000001-5000000	30
5000001-10000000	4
10000001 -100000000	4
100000001-1000000000	1
<b>Total</b>	<b>106</b>

### During the period under question

There has been no significant change in the state of affairs of the Fund. NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - III does not have any soft commission arrangement with any broker in the industry.

### NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - V

NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - V (NIFTMP-V) is an Open-End Shariah Compliant Fixed Rate / Return Plan.

### Investment Objective of the Fund

To provide investors with potentially higher returns, for fixed tenure by investing primarily in Shariah Compliant Fixed Income instruments.

### Benchmark

Up to 1-year average deposit rates of three (3) AA rated scheduled Islamic Banks or Islamic windows of conventional bank as selected by MUFAP at the time of plan launch.

### Fund Performance Review

This is the 1st Annual report since the launch of the Fund on January 23, 2024. The Fund size stands at Rs. 589 million as of June 30, 2024. Since its inception, the Fund posted a return of 17.7%p.a. versus the benchmark return of 11.1% p.a. The return of the Fund is net of the management fee.

The Plan has invested in GOP Ijarah Sukuk in line with the maturity of the plan, in order to deliver higher returns, for fixed tenure to its unit holders. NIFTMP-V has an initial maturity of around 1 year.

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
GOP Ijara Sukuk	99.09%
Cash & Other Assets	0.91%
<b>Total</b>	<b>100%</b>

## Distribution for the Financial Year 2024

Interim Period/ Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-24	7.150%	10.7150	10

## Unit Holding Pattern of NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - V as on June 30, 2024

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	0
1-1000	0
1001-5000	0
5001-10000	0
10001-50000	1
50001-100000	3
100001-500000	24
500001-1000000	7
1000001-5000000	13
5000001-10000000	1
10000001-100000000	1
<b>Total</b>	<b>50</b>

## During the period under question

There has been no significant change in the state of affairs of the Fund. NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - V does not have any soft commission arrangement with any broker in the industry.

## NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - VI

NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - VI (NIFTMP-VI) is an Open-End Shariah Compliant Fixed Rate / Return Plan.

## Investment Objective of the Fund

To ensure that the original amount of investment is protected while having the potential to yield positive return to investors as maturity of the Plan.

## Benchmark

Up to 1-year average deposit rates of three (3) AA rated scheduled Islamic Banks or Islamic windows of conventional bank as selected by MUFAP at the time of plan launch.

## Fund Performance Review

This is the 1st Annual report since the launch of the Fund on April 25, 2024. The Fund size stands at Rs. 1,154 million as of June 30, 2024. Since its inception, the Fund posted a return of 22.5% p.a. versus the benchmark return of 11.1% p.a. outperforming by 11.4%. The return of the Fund is net of the management fee.

The Plan has invested in GOP Ijarah Sukuk in line with the maturity of the plan, in order to deliver higher returns, for fixed tenure to its unit holders. NIFTMP-VI has an initial maturity of around 1 year.

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
GOP Ijara Sukuk	99.51%
Cash & Other Assets	0.49%
<b>Total</b>	<b>100%</b>

## Distribution for the Financial Year 2024

Interim Period/ Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-24	3.622%	10.3622	10

**Unit Holding Pattern of NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - VI as on June 30, 2024**

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	-
1-1000	-
1001-5000	-
5001-10000	-
10001-50000	-
50001-100000	2
100001-500000	12
500001-1000000	10
1000001-5000000	16
5000001-10000000	3
10000001 -100000000	4
<b>Total</b>	<b>47</b>

**During the period under question**

There has been no significant change in the state of affairs of the Fund. NBP Islamic Mustahkam Fund - NBP Islamic Fixed Term Munafa Plan - VI does not have any soft commission arrangement with any broker in the industry.

## STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

**NBP Islamic Mustahkam 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 SHARI'AH SUPERVISORY BOARD

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

**Alhamdulillah**, the period from July 01, 2023 to June 30, 2024 marks the Second year of the operations of NBP Islamic Mustahkam Fund (the "NIMF" or the "Fund") under management of NBP Funds Management Limited (the "NBP Funds" or the "Management Company"). Under this fund, NBP Funds launched its NBP Islamic Fixed Term Munafa Plan-V on January 23, 2024, NBP Islamic Fixed Term Munafa Plan-VI on April 25, 2024, NBP Islamic Fixed Term Munafa Plan-III on May 23, 2024 and matured NBP Islamic Fixed Term Munafa Plan-I on April 18, 2024 and NBP Islamic Fixed Term Munafa Plan-II on September 22, 2023.

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**

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**Mufti Muhammad Naveed Alam**  
Member  
Shariah Supervisory Board

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**Mufti Ehsan Waqar**  
Shariah Advisor & Member  
Shariah Supervisory Board

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**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 Mustahkam 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.

The firm applies International Standard on Quality Management (ISQM-1) "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and 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 Mustahkam Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **NBP Islamic Mustahkam 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><b>Net Asset Value</b> (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. 760.740 million and Rs. 4,501.887 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"> <li>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;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

## 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: AR2024100615CX8rGHqR

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2024

	Note	2024					2023			
		NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total
(Rupees in '000)										
<b>ASSETS</b>										
Bank balances	4	726,563	2,313	5,080	14,021	12,763	760,740	5,731	2,493	8,224
Investments	5	-	-	583,299	1,143,946	2,774,642	4,501,887	659,713	384,000	1,043,713
Profit receivable	6	699	324	637	1,348	3,039	6,047	28,865	6,612	35,477
Receivable against sale of investment		-	-	1,758	-	-	1,758	-	-	-
Deposit and other receivable	7	-	-	3,619	-	-	3,619	-	-	-
Preliminary expenses and floatation cost	8	-	-	-	-	-	-	138	114	252
<b>Total assets</b>		<b>727,262</b>	<b>2,637</b>	<b>594,393</b>	<b>1,159,315</b>	<b>2,790,444</b>	<b>5,274,051</b>	<b>694,447</b>	<b>393,219</b>	<b>1,087,666</b>
<b>LIABILITIES</b>										
Payable to NBP Fund Management Limited - Management Company	9	1,071	355	525	817	2,574	5,342	1,242	537	1,779
Payable to Central Depository Company of Pakistan Limited - Trustee	10	23	-	30	58	140	251	35	21	56
Payable to the Securities and Exchange Commission of Pakistan	11	27	-	37	70	170	304	29	7	36
Payable against redemption of units		721,948	-	-	-	-	721,948	-	-	-
Accrued expenses and other liabilities	12	4,193	2,282	5,153	3,948	4,637	20,213	1,433	814	2,247
<b>Total liabilities</b>		<b>727,262</b>	<b>2,637</b>	<b>5,745</b>	<b>4,893</b>	<b>7,521</b>	<b>748,058</b>	<b>2,739</b>	<b>1,379</b>	<b>4,118</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>	<b>588,648</b>	<b>1,154,422</b>	<b>2,782,923</b>	<b>4,525,993</b>	<b>691,708</b>	<b>391,840</b>	<b>1,083,548</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>-</b>	<b>-</b>	<b>588,648</b>	<b>1,154,422</b>	<b>2,782,923</b>	<b>4,525,993</b>	<b>691,708</b>	<b>391,840</b>	<b>1,083,548</b>
<b>CONTINGENCIES AND COMMITMENTS</b>										
	13	----- No. of units -----								
<b>NUMBER OF UNITS IN ISSUE</b>	14	<b>-</b>	<b>-</b>	<b>58,550,274</b>	<b>114,941,743</b>	<b>277,071,248</b>		<b>68,987,703</b>	<b>39,079,898</b>	
		----- Rupees -----								
<b>NET ASSET VALUE PER UNIT</b>	3.7	<b>-</b>	<b>-</b>	<b>10.0537</b>	<b>10.0435</b>	<b>10.0441</b>		<b>10.0265</b>	<b>10.0266</b>	

The annexed notes 1 to 28 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

Note	2024					2023			
	For the period from July 1, 2023 to April 18, 2024	For the period from July 1, 2023 to September 22, 2023	For the period from January 23, 2024 to June 30, 2024	For the period from April 25, 2024 to June 30, 2024	For the period from May 23, 2024 to June 30, 2024	Total	For the period from April 17, 2023 to June 30, 2023	For the period from May 30, 2023 to June 30, 2023	Total
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III		NIFTM Plan - II	NIFTM Plan - I	
	(Rupees in '000)								
<b>INCOME</b>									
Profit on bank balances	1,295	288	108	267	161	2,119	214	407	621
Income on GoP Ijarah sukuks	113,782	-	50,185	39,937	56,143	260,047	29,725	-	29,725
Income on term deposit receipts	-	12,494	-	-	-	12,494	-	6,712	6,712
Contingent load income	48	12	89	-	-	149	221	-	221
(Loss) / gain on sale of investments - net	(724)	-	2,650	35	56	2,017	(55)	-	(55)
	114,401	12,794	53,032	40,239	56,360	276,826	30,105	7,119	37,224
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.3	-	(4,511)	7,451	19,624	22,564	713	-	713
<b>Total income</b>	<u>114,401</u>	<u>12,794</u>	<u>48,521</u>	<u>47,690</u>	<u>75,984</u>	<u>299,390</u>	<u>30,818</u>	<u>7,119</u>	<u>37,937</u>
<b>EXPENSES</b>									
Remuneration of NBP Fund Management Limited - Management Company	9.1	2,788	280	2,377	1,586	2,794	9,825	216	137
Sindh sales tax on remuneration of the Management Company	9.2	362	36	309	206	363	1,276	28	18
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	315	36	146	112	157	766	80	19
Sindh sales tax on remuneration of the Trustee	10.2	41	5	19	15	20	100	10	2
Fee to the Securities and Exchange Commission of Pakistan	11	429	49	199	153	214	1,045	29	7
Reimbursement of allocated expenses	9.3	858	98	-	-	-	956	216	52
Reimbursement of selling and marketing expenses	9.4	946	139	-	-	-	1,085	720	117
Settlement and bank charges		86	86	69	18	16	276	35	7
Listing fee		31	5	3	-	-	39	14	13
Auditors' remuneration	15	220	93	108	251	34	706	221	119
Legal and professional charges		91	16	35	20	8	169	85	18
Shariah advisory fee		59	2	36	30	29	156	18	2
Amortisation of preliminary expenses and floatation costs	8	138	114	-	-	-	252	35	59
Printing charges		23	9	7	13	4	55	26	2
<b>Total expenses</b>		<u>6,387</u>	<u>968</u>	<u>3,308</u>	<u>2,404</u>	<u>3,641</u>	<u>16,708</u>	<u>1,733</u>	<u>572</u>
<b>Net income for the period before taxation</b>		<u>108,014</u>	<u>11,826</u>	<u>45,213</u>	<u>45,286</u>	<u>72,343</u>	<u>282,682</u>	<u>29,085</u>	<u>35,632</u>
Taxation	16	-	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>		<u>108,014</u>	<u>11,826</u>	<u>45,213</u>	<u>45,286</u>	<u>72,343</u>	<u>282,682</u>	<u>29,085</u>	<u>35,632</u>
<b>Earnings per unit</b>	3.14								
<b>Allocation of net income for the period</b>									
Net income for the period after taxation		108,014	11,826	45,213	45,286	72,343	282,682	29,085	35,647
Income already paid on units redeemed		(875)	(29)	(2,579)	-	(103)	(3,586)	(148)	(252)
		<u>107,139</u>	<u>11,797</u>	<u>42,634</u>	<u>45,286</u>	<u>72,240</u>	<u>279,096</u>	<u>28,937</u>	<u>6,295</u>
<b>Accounting income available for distribution</b>									
- Relating to capital (loss) / gains		-	-	(1,861)	7,486	19,680	25,305	713	-
- Excluding capital gains		107,139	11,797	44,495	37,800	52,560	253,791	28,224	6,295
		<u>107,139</u>	<u>11,797</u>	<u>42,634</u>	<u>45,286</u>	<u>72,240</u>	<u>279,096</u>	<u>28,937</u>	<u>6,295</u>

The annexed notes 1 to 28 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					Total	2023		
	For the period from July 1, 2023 to April 18, 2024	For the period from July 1, 2023 to September 22, 2023	For the period from January 23, 2024 to June 30, 2024	For the period from April 25, 2024 to June 30, 2024	For the period from May 23, 2024 to June 30, 2024		For the period from April 17, 2023 to June 30, 2023	For the period from May 30, 2023 to June 30, 2023	Total
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III		NIFTM Plan - II	NIFTM Plan - I	
	(Rupees in 000)								
Net income for the period after taxation	108,014	11,826	45,213	45,286	72,343	282,682	29,085	6,547	35,632
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>108,014</b>	<b>11,826</b>	<b>45,213</b>	<b>45,286</b>	<b>72,343</b>	<b>282,682</b>	<b>29,085</b>	<b>6,547</b>	<b>35,632</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

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

	2024								
	For the period from July 1, 2023 to April 18, 2024			For the period from July 1, 2023 to September 22, 2023			For the period from January 23, 2024 to June 30, 2024		
	NIFTM Plan-II			NIFTM Plan - I			NIFTM Plan-V		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees in '000)									
Net assets at the beginning of the period	689,664	2,044	691,708	390,801	1,039	391,840	-	-	-
Issuance of units:									
NIFTM Plan-II: 6,253,984, NIFTM Plan-I: 1,092,903 and NIFTM Plan-V: 64,808,454									
- Capital value (at net asset value per unit at commencement of the fund)	62,706	-	62,706	10,958	-	10,958	648,085	-	648,085
- Element of (loss) / income	(157)	-	(157)	(22)	-	(22)	16	-	16
Total proceeds on issuance of units	62,549	-	62,549	10,936	-	10,936	648,101	-	648,101
Redemption of units:									
NIFTM Plan-II: 75,241,687, NIFTM Plan-I: 40,172,801 and NIFTM Plan-V: 6,258,180									
- Capital value (at net asset value per unit at commencement of the fund)	(754,411)	-	(754,411)	(402,797)	-	(402,797)	(62,582)	-	(62,582)
- Element of (loss) / income	(47)	(875)	(922)	833	(29)	804	(69)	(2,579)	(2,648)
Total payments on redemption of units	(754,458)	(875)	(755,333)	(401,964)	(29)	(401,993)	(62,651)	(2,579)	(65,230)
Total comprehensive income for the period	-	108,014	108,014	-	11,826	11,826	-	45,213	45,213
Distribution for the period ended June 30, 2024:									
- @ Re. 0.5961 per unit declared on October 17, 2023 (NIFTM Plan-II)	-	(66,091)	(66,091)	-	-	-	-	-	-
- @ Rs. 1.0027 per unit declared on April 18, 2024 (NIFTM Plan-II)	(9)	(40,838)	(40,847)	-	-	-	-	-	-
- @ Re. 0.0134 per unit declared on July 06, 2023 (NIFTM Plan-I)	-	-	-	-	(520)	(520)	-	-	-
- @ Re. 0.3197 per unit declared on August 31, 2023 (NIFTM Plan-I)	-	-	-	-	(12,089)	(12,089)	-	-	-
- @ Re. 0.715 per unit declared on June 27, 2024 (NIFTM Plan-V)	-	-	-	-	-	-	-	(39,436)	(39,436)
- @ Re. 0.3622 per unit declared on June 26, 2024 (NIFTM Plan-VI)	-	-	-	-	-	-	-	-	-
- @ Re. 0.2212 per unit declared on June 26, 2024 (NIFTM Plan-III)	-	-	-	-	-	-	-	-	-
	(9)	(106,929)	(106,938)	-	(12,609)	(12,609)	-	(39,436)	(39,436)
<b>Net assets at the end of the period</b>	<b>(2,254)</b>	<b>2,254</b>	<b>-</b>	<b>(227)</b>	<b>227</b>	<b>-</b>	<b>585,450</b>	<b>3,198</b>	<b>588,648</b>
Undistributed income brought forward									
- Realised income	1,331	-	-	1,039	-	-	-	-	-
- Unrealised income	713	-	-	-	-	-	-	-	-
Accounting income available for distribution	2,044	-	-	1,039	-	-	-	-	-
- Relating to capital loss	-	-	-	-	-	-	(1,861)	-	-
- Excluding capital gains	107,139	-	-	11,797	-	-	44,495	-	-
	107,139	-	-	11,797	-	-	42,634	-	-
Distribution during the period	(106,929)	-	-	(12,609)	-	-	(39,436)	-	-
Undistributed income carried forward	<u>2,254</u>	-	-	<u>227</u>	-	-	<u>3,198</u>	-	-
- Realised income	-	2,254	-	-	227	-	-	7,709	-
- Unrealised income	-	-	-	-	-	-	-	(4,511)	-
	<u>2,254</u>	<u>2,254</u>	<u>-</u>	<u>227</u>	<u>227</u>	<u>-</u>	<u>3,198</u>	<u>3,198</u>	<u>-</u>
Net asset value per unit at the beginning of the period				Rupees 10.0265					
Net asset value per unit at the end of the period				-			10.0537		

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

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

2024								
For the period from April 25, 2024 to June 30, 2024			For the period from May 23, 2024 to June 30, 2024			Total		
NIFTM Plan-VI			NIFTM Plan-III					
Capital value	Undist-ributed income	Total	Capital value	Undist-ributed income	Total	Capital value	Undist-ributed income	Total

(Rupees in '000)

Net assets at the beginning of the period	-	-	-	-	-	-	1,080,465	3,083	1,083,548
Issuance of units:									
NIFTM Plan-VI: 114,941,743 and NIFTM Plan-III: 279,956,333 units									
- Capital value (at net asset value per unit at commencement of the fund)	1,149,417	-	1,149,417	2,799,563	-	2,799,563	4,670,729	-	4,670,729
- Element of income / (loss)	21	-	21	32	-	32	(110)	-	(110)
Total proceeds on issuance of units	1,149,438	-	1,149,438	2,799,595	-	2,799,595	4,670,619	-	4,670,619
Redemption of units:									
NIFTM Plan-VI: Nil and NIFTM Plan-III: 2,885,085 units									
- Capital value (at net asset value per unit at commencement of the fund)	-	-	-	(28,851)	-	(28,851)	(1,248,641)	-	(1,248,641)
- Element of (loss) / income	-	-	-	-	(103)	(103)	717	(3,586)	(2,869)
Total payments on redemption of units	-	-	-	(28,851)	(103)	(28,954)	(1,247,924)	(3,586)	(1,251,510)
Total comprehensive income for the period	-	45,286	45,286	-	72,343	72,343	-	282,682	282,682
Distribution for the period ended June 30, 2024:									
- @ Re. 0.5961 per unit declared on October 17, 2023 (NIFTM Plan- II)	-	-	-	-	-	-	-	(66,091)	(66,091)
- @ Rs. 1.0027 per unit declared on April 18, 2024 (NIFTM Plan- II)	-	-	-	-	-	-	(9)	(40,838)	(40,847)
- @ Re. 0.0134 per unit declared on July 06, 2023 (NIFTM Plan- I)	-	-	-	-	-	-	-	(520)	(520)
- @ Re. 0.3197 per unit declared on August 31, 2023 (NIFTM Plan- I)	-	-	-	-	-	-	-	(12,089)	(12,089)
- @ Re. 0.715 per unit declared on June 27, 2024 (NIFTM Plan- V)	-	-	-	-	-	-	-	(39,436)	(39,436)
- @ Re. 0.3622 per unit declared on June 26, 2024 (NIFTM Plan- VI)	-	(40,302)	(40,302)	-	-	-	-	(40,302)	(40,302)
- @ Re. 0.2212 per unit declared on June 26, 2024 (NIFTM Plan- III)	-	-	-	-	(60,061)	(60,061)	-	(60,061)	(60,061)
	-	(40,302)	(40,302)	-	(60,061)	(60,061)	(9)	(259,337)	(259,346)
<b>Net assets at the end of the period</b>	<b>1,149,438</b>	<b>4,984</b>	<b>1,154,422</b>	<b>2,770,744</b>	<b>12,179</b>	<b>2,782,923</b>	<b>4,503,151</b>	<b>22,842</b>	<b>4,525,993</b>
Undistributed income brought forward									
- Realised income									
- Unrealised income									
Accounting income available for distribution									
- Relating to capital gains	7,486			19,680					
- Excluding capital gains	37,800			52,560					
	45,286			72,240					
Distribution during the period	(40,302)			(60,061)					
Undistributed income carried forward	4,984			12,179					
Undistributed income carried forward									
- Realised loss	(2,468)			(7,445)					
- Unrealised income	7,451			19,624					
	4,984			12,179					
Net asset value per unit at the beginning of the period			-			-			
Net asset value per unit at the end of the period			10.0435			10.0441			

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

2023									
For the period from April 17, 2023 to June 30, 2023			For the period from May 30, 2023 to June 30, 2023			Total			
NIFTM Plan - II			NIFTM Plan - I			Total			
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
(Rupees in '000)									
Net assets at the beginning of the period	-	-	-	-	-	-	-	-	
Issuance of units:									
NIFTM Plan - II: 76,874,310 units / NIFTM Plan - I: 41,204,859 units									
- Capital value (at net asset value per unit at commencement of the fund)	768,743	-	768,743	412,049	-	412,049	1,180,792	-	1,180,792
- Element of income	14	-	14	2	-	2	16	-	16
Total proceeds on issuance of units	768,757	-	768,757	412,051	-	412,051	1,180,808	-	1,180,808
Redemption of units:									
NIFTM Plan - II: 7,886,607 units / NIFTM Plan - I: 2,124,961 units									
- Capital value (at net asset value per unit at commencement of the fund)	(78,866)	-	(78,866)	(21,250)	-	(21,250)	(100,116)	-	(100,116)
- Element of loss	(222)	(148)	(370)	-	(252)	(252)	(222)	(400)	(622)
Total payments on redemption of units	(79,088)	(148)	(79,236)	(21,250)	(252)	(21,502)	(100,338)	(400)	(100,738)
Total comprehensive income for the period	-	29,085	29,085	-	6,547	6,547	-	35,632	35,632
Distribution for the period ended June 30, 2023:									
- @ Re. 0.1325 per unit declared on May 8, 2023 (NIFTM Plan - II)	-	(9,854)	(9,854)	-	-	-	-	(9,854)	(9,854)
- @ Re. 0.2529 per unit declared on June 26, 2023 (NIFTM Plan - II)	(5)	(17,039)	(17,044)	-	-	-	-	(17,039)	(17,039)
- @ Re. 0.1361 per unit declared on June 26, 2023 (NIFTM Plan - I)	-	-	-	-	(5,256)	(5,256)	-	(5,256)	(5,256)
	(5)	(26,893)	(26,898)	-	(5,256)	(5,256)	-	(32,149)	(32,149)
<b>Net assets at the end of the period</b>	<b>689,664</b>	<b>2,044</b>	<b>691,708</b>	<b>390,801</b>	<b>1,039</b>	<b>391,840</b>	<b>1,080,470</b>	<b>3,083</b>	<b>1,083,553</b>
Undistributed income brought forward									
- Realised income	-	-	-	-	-	-	-	-	
- Unrealised income	-	-	-	-	-	-	-	-	
Accounting income available for distribution									
- Relating to capital gains	713	-	-	-	-	-	-	-	
- Excluding capital gains	28,224	-	28,937	6,295	-	6,295	-	-	
Distribution during the period	(26,893)	-	(26,893)	(5,256)	-	(5,256)	-	-	
Undistributed income carried forward	2,044	-	2,044	1,039	-	1,039	-	-	
Undistributed income carried forward									
- Realised income	1,331	-	1,331	1,039	-	1,039	-	-	
- Unrealised income	713	-	713	-	-	-	-	-	
	2,044	-	2,044	1,039	-	1,039	-	-	
			Rupees			Rupees			
Net asset value per unit at the beginning of the period			-			-			
Net asset value per unit at the end of the period			10.0265			10.0266			

The annexed notes 1 to 28 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					Total	2023		Total	
	For the period from July 1, 2023 to April 18, 2024	For the period from July 1, 2023 to September 22, 2023	For the period from January 23, 2024 to June 30, 2024	For the period from April 25, 2024 to June 30, 2024	For the period from May 23, 2024 to June 30, 2024		For the period from April 17, 2023 to June 30, 2023	For the period from May 30, 2023 to June 30, 2023		
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III		NIFTM Plan - II	NIFTM Plan - I		
Note ..... (Rupees in 000) .....										
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Net income for the period before taxation	108,014	11,826	45,213	45,286	72,343	282,682	29,085	6,547	35,632	
<b>Adjustments for:</b>										
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.3	-	-	4,511	(7,451)	(19,624)	(22,564)	(713)	-	(713)
Income on term deposit receipts	-	(12,494)	-	-	-	(12,494)	-	(6,712)	(6,712)	
Income on GoP Ijarah sukuks	(113,782)	-	(50,185)	(39,937)	(56,143)	(260,047)	(29,725)	-	(29,725)	
Profit on bank balances	(1,295)	(288)	(108)	(267)	(161)	(2,119)	(214)	(407)	(621)	
Amortisation of preliminary expenses and floatation costs	138	114	-	-	-	252	35	59	94	
	(114,939)	(12,668)	(45,782)	(47,655)	(75,928)	(296,972)	(30,617)	(7,060)	(37,677)	
<b>Decrease / (increase) in assets</b>										
Investments	659,713	-	(587,810)	(1,136,495)	(2,755,018)	(3,819,610)	(659,000)	-	(659,000)	
Receivable against sale of investment	-	-	(1,758)	-	-	(1,758)	-	-	-	
Deposit and other receivable	-	-	(3,619)	-	-	(3,619)	(173)	(173)	(346)	
	659,713	-	(593,187)	(1,136,495)	(2,755,018)	(3,824,987)	(659,173)	(173)	(659,346)	
<b>(Decrease) / increase in liabilities</b>										
Payable to NBP Fund Management Limited - Management Company	(171)	(182)	525	817	2,574	3,563	1,242	537	1,779	
Payable to Central Depository Company of Pakistan Limited - Trustee	(12)	(21)	30	58	140	195	35	21	56	
Payable to the Securities and Exchange Commission of Pakistan	(2)	(7)	37	70	170	268	29	7	36	
Payable against redemption of units	721,948	-	-	-	-	721,948	-	-	-	
Accrued expenses and other liabilities	2,761	1,468	5,153	3,948	4,637	17,967	1,433	814	2,247	
	724,524	1,258	5,745	4,893	7,521	743,941	2,739	1,379	4,118	
Profit received on bank balances and sukuk certificates	143,242	19,070	49,656	38,856	53,265	304,089	1,074	507	1,581	
<b>Net cash generated from / (used in) operating activities</b>	1,520,554	19,486	(538,355)	(1,095,115)	(2,697,817)	(2,791,247)	(656,892)	1,200	(655,692)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Net receipts from issuance of units - net of refund of capital	62,540	10,936	648,101	1,149,438	2,799,595	4,670,610	768,752	412,051	1,180,803	
Net payments against redemption of units	(755,333)	(401,993)	(65,230)	-	(28,954)	(1,251,510)	(79,236)	(21,502)	(100,738)	
Distributions paid	(106,929)	(12,609)	(39,436)	(40,302)	(60,061)	(259,337)	(26,893)	(5,256)	(32,149)	
<b>Net cash (used in) / generated from financing activities</b>	(799,722)	(403,666)	543,435	1,109,136	2,710,580	3,159,763	662,623	385,293	1,047,916	
<b>Net increase in cash and cash equivalents during the period</b>	720,832	(384,180)	5,080	14,021	12,763	368,516	5,731	386,493	392,224	
Cash and cash equivalents at the beginning of the period	5,731	386,493	-	-	-	392,224	-	-	-	
<b>Cash and cash equivalents at the end of the period</b>	19	726,563	2,313	5,080	14,021	12,763	760,740	5,731	386,493	392,224

The annexed notes 1 to 28 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 Mustahkam Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 21, 2022.
- 1.2 The Fund was registered under the Sindh Trusts Act, 2020 on August 29, 2022.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company by the SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.4 The Fund has been categorised as an open ended 'Shariah Compliant Fixed Rate' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from April 17, 2023 for NIFTMP Plan - II, May 30, 2023 for NIFTMP Plan - I, January 23, 2024 for NIFTMP Plan - V, April 25, 2024 for NIFTMP Plan - VI and May 23, 2024 for NIFTMP Plan - III, and are transferable and redeemable by surrendering them to the Fund.
- 1.5 The objective of NBP Islamic Fixed Term Munafa Plan – I (NIFTM Plan - I), NBP Islamic Fixed Term Munafa Plan – II (NIFTM Plan - II), NBP Islamic Fixed Term Munafa Plan – III (NIFTM Plan - III), NBP Islamic Fixed Term Munafa Plan – V (NIFTM Plan - V) and NBP Islamic Fixed Term Munafa Plan – VI (NIFTM Plan - VI) is to earn potentially higher returns by investing in Shariah Compliant Fixed Income instruments. The investment objectives and policies are explained in the Fund's offering document.
- 1.6 The duration of the Fund is perpetual, however, munafa plans may have a set time frame. The issue and the maturity dates of the munafa plans are as follows;

Plans	NIFTMP - II	NIFTMP - I	NIFTMP - V	NIFTMP - VI	NIFTMP - III
<b>Issue date</b>	17-Apr-23	30-May-23	23-Jan-24	25-Apr-24	23-May-24
<b>Maturity date</b>	18-Apr-24	22-Sep-23	Upto January 22, 2024	Upto April 25, 2025	Upto May 23, 2027

- 1.7 The Pakistan Credit Rating Agency (PACRA) has reaffirmed an Asset Manager Rating of AM1 on June 21, 2024 (2023: AM1 on June 22, 2023) to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating to NBP Islamic Fixed Term Munafa Plan – III (NIFTM Plan - III) of the Fund as "AAA(f)" dated June 21, 2024. However, other plans of the Fund have not yet been rated.
- 1.8 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee Limited of the Fund.

### 2 BASIS OF PRESENTATION

#### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS 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 VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS 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 period:**

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 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 are, therefore, not disclosed in the financial statements.

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

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.3 and 5).

## 2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments which have been classified as 'at fair value through profit or loss' and are measured 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

3.1 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.

### 3.2 Cash and cash equivalents

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

### 3.3 Financial assets

#### 3.3.1 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.

#### 3.3.2 Classification and subsequent measurement

##### 3.3.2.1 Debt instruments

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

- amortised cost;
- at fair value through other comprehensive income (FVOCI); 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.

##### 3.3.4 Impairment (other than debt securities)

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

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;

- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when these 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.

### 3.3.5 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.

### 3.3.6 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.

### 3.3.6 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.

### 3.4 Financial liabilities

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

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

### 3.5 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.

### 3.6 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.

### 3.7 Net asset value per unit

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

## 3.8 Issue and redemption of units

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

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

## 3.9 Distributions to unit holders

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

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

## 3.10 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 (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV 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 NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

## 3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded on the date at which the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets' at fair value through profit or loss are recorded in the accounting period in which these arise;
- Profit on balances with banks is recognised on an accrual basis; and
- Income from investments in GoP ijarah sukuks is recognised on an accrual basis using effective profit rate method.

## 3.12 Expenses

All expenses including remuneration of the Management Company and the Trustee and fee to the SECP are recognised in the Income Statement on an accrual basis.

## 3.13 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.

### 3.14 Earnings per unit

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

Earnings per unit has not been disclosed in these financial statements as, in the opinion of the management, determination of the 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 Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

		2024					2023			
		NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total
<b>BANK BALANCES</b>	Note	----- (Rupees in '000) -----								
Savings accounts	4.1	726,563	2,313	5,080	14,021	12,763	760,740	5,731	2,493	8,224
		<u>726,563</u>	<u>2,313</u>	<u>5,080</u>	<u>14,021</u>	<u>12,763</u>	<u>760,740</u>	<u>5,731</u>	<u>2,493</u>	<u>8,224</u>

4.1 These carry profits at rates ranging from 18.50% to 20.50% (2023: 19.50% to 20.50%) per annum for NIFTM Plan - II, 18.50% to 20.75% (2023: 19.50% to 20.50%) per annum for NIFTM Plan - I, 18.50% per annum for NIFTM Plan - V, 18.50% per annum for NIFTM Plan - VI and 18.50% per annum for NIFTM Plan - III.

		2024					2023			
		NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total
<b>5 INVESTMENTS</b>	Note	----- (Rupees in '000) -----								
<b>Financial assets 'at fair value through profit or loss'</b>										
GoP Ijarah sukuk	5.1	-	-	583,299	1,143,946	2,774,642	4,501,887	659,713	-	659,713
Term deposit receipts	5.2	-	-	-	-	-	-	-	384,000	384,000
		<u>-</u>	<u>-</u>	<u>583,299</u>	<u>1,143,946</u>	<u>2,774,642</u>	<u>4,501,887</u>	<u>659,713</u>	<u>384,000</u>	<u>1,043,713</u>

### 5.1 GoP Ijarah Sukuks

#### 5.1.1 NIFTM Plan - II

Name of the security	Principal redemptions	Maturity date	Yield	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation as at June 30, 2024	Percentage in relation to			
				----- Number of certificates -----			----- (Rupees in '000) -----			----- % -----				
GoP Ijara sukuk GIS - Listed Sukuk (Face Value of Rs. 5,000 per certificate)	Annually	April 17, 2024	21.25%	6,590	6,200	12,790	-	-	-	-	-	-		
Total as at June 30, 2024											-	-	-	-
Total as at June 30, 2023											659,000	659,713	95%	95.37%

## 5.1.2 NIFTM Plan - V

Name of the security	Principal redemptions	Maturity date	Yield	Purchased during the period	Sold during the period	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	Percentage in relation to	
										total market value of investments of the plan	net assets of the plan
							(Rupees in '000)		%		
GoP Ijara sukuk GIS - Listed Sukuk (Face Value of Rs. 5,000 per certificate)	Annually	January 22, 2025	19.50%	146,400	16,850	129,550	587,810	583,299	(4,511)	100%	99%
Total as at June 30, 2024							587,810	583,299	(4,511)	100%	99%

## 5.1.3 NIFTM Plan - VI

Name of the security	Principal redemptions	Maturity date	Yield	Purchased during the period	Sold during the period	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation as at June 30, 2024	Percentage in relation to	
										total market value of investments of the plan	net assets of the plan
							(Rupees in '000)		%		
GoP Ijara sukuk GIS - Listed Sukuk (Face Value of Rs. 5,000 per certificate)	Annually	April 25, 2025	20.00%	265,000	1,600	263,400	1,136,495	1,143,946	7,451	100%	99%
Total as at June 30, 2024							1,136,495	1,143,946	7,451	100%	99%

## 5.1.4 NIFTM Plan - III

Name of the security	Principal redemptions	Maturity date	Yield	Purchased during the period	Sold during the period	As at June 30, 2024	Carrying Value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation as at June 30, 2024	Percentage in relation to	
										total market value of investments of the plan	net assets of the plan
							(Rupees in '000)		%		
GoP Ijara sukuk GIS - Listed Sukuk (Face Value of Rs. 5,000 per certificate)	Annually	May 23, 2025	19.89%	650,000	2,400	647,600	2,755,018	2,774,642	19,624	100%	99%
Total as at June 30, 2024							2,755,018	2,774,642	19,624	100%	99%

## 5.2 Term Deposit Receipts

### 5.2.1 NIFTM Plan - I

Name of investee company	Rating	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Matured during the period	As at June 30, 2024	Carrying Value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation as at June 30, 2024	Percentage in relation to				
											total market value of investments of the plan	net assets of the plan			
											(Rupees in '000)		%		
<b>ISLAMIC BANKS</b>															
Faysal Bank Limited	AA, PACRA	August 31, 2023	19.90%	200,000	-	200,000	-	-	-	-	-	-	-		
Allied Bank Limited	AAA, PACRA	August 31, 2023	20.20%	184,000	-	184,000	-	-	-	-	-	-			
Total as at June 30, 2024											-	-	-	-	
Total as at June 30, 2023											384,000	384,000	-	100%	98%

### 5.3 Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net

Note	2024						2023			
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total	
	(Rupees in '000)									
Market value of investments	5.1 & 5.2	-	-	583,299	1,143,946	2,774,642	4,501,887	659,713	384,000	1,043,713
Less: carrying value of investments	5.1 & 5.2	-	-	587,810	1,136,495	2,755,018	4,479,323	659,000	384,000	1,043,000
		-	-	(4,511)	7,451	19,624	22,564	713	-	713

### 6 PROFIT RECEIVABLE

Profit receivable on bank balances		699	324	58	122	63	1,266	90	177	267
Profit receivable on term deposit receipts		-	-	-	-	-	-	-	6,435	6,435
Profit receivable on GoP Ijarah sukuk		-	-	579	1,226	2,976	4,781	28,775	-	28,775
		699	324	637	1,348	3,039	6,047	28,865	6,612	35,477

### 7 DEPOSIT AND OTHER RECEIVABLE

Central Depository Company		-	-	100	-	-	100	-	-	-
Other receivable		-	-	3,519	-	-	3,519	-	-	-
		-	-	3,619	-	-	3,619	-	-	-

### 8 PRELIMINARY EXPENSES AND FLOATION COSTS

At the beginning of the period	8.1	138	114	-	-	-	252	173	173	346
Less: amortisation during the period		(138)	(114)	-	-	-	(252)	(35)	(59)	(94)
At the end of the period		-	-	-	-	-	-	138	114	252

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

### 9 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

Note	2024						2023			
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total	
	(Rupees in '000)									
Remuneration payable to the Management Company	9.1	223	-	465	723	2,278	3,689	84	135	219
Sindh sales tax on remuneration payable to the Management Company	9.2	29	-	60	94	296	479	11	18	29
Reimbursement of allocated expenses payable	9.3	327	-	-	-	-	327	216	52	268
Payable against preliminary expenses and floatation cost		173	173	-	-	-	346	173	173	346
Reimbursement of selling and marketing expenses payable	9.4	281	139	-	-	-	420	720	117	837
Other payables		38	43	-	-	-	81	38	42	80
		1,071	355	525	817	2,574	5,342	1,242	537	1,779

### 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 rate of 2.5% (2023: 2.5%) of gross earnings for NIFTM Plan - II, 2.5% (2023: 2.5%) of gross earnings for NIFTM Plan - I, 3.6% of gross earnings for NIFTM Plan - V, 3% of gross earnings for NIFTM Plan - VI and 4.12% of gross earnings for NIFTM Plan - III, subject to minimum of 0.15% (2023: 0.40% for NIFTM Plan - I and 0.15% for NIFTM Plan - II) of the average daily net assets for all plans

and upto 8% per annum of the gross earnings of the Scheme during the period from July 1, 2023 to April 18, 2024, July 1, 2023 to September 22, 2023, January 23, 2024 to June 30, 2024, April 25, 2024 to June 30, 2024 and May 23, 2024 to June 30, 2024 for NIFTM Plan II, NIFTM Plan I, NIFTM Plan V, NIFTM Plan VI and NIFTM Plan III respectively. The remuneration is payable to the Management Company monthly in arrears.

**9.2** During the period, an amount of Rs. 0.362 million in NIFTM Plan - II, Rs 0.036 million in NIFTM Plan - I, Rs. 0.309 million in NIFTM Plan - V, Rs. 0.206 million in NIFTM Plan - VI and Rs 0.363 million in NIFTM Plan - III (2023: Rs 0.028 million in NIFTM Plan - II and Rs 0.018 million in NIFTM Plan - I) was charged on account of sales tax at the rate of 13% (2023: 13%) on management fee levied through Sindh Sales Tax on Services Act, 2011.

**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).

The Management Company based on its discretion has currently charged accounting and operational charges at 0.15% 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 0.50% in NIFTM Plan - II and 0.35% in NIFTM Plan - I of the average annual net assets of the Fund keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008.

**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 - TRUSTEE - RELATED PARTY

Note	2024						2023			
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total	
Trustee fee payable	10.1	20	-	27	51	124	222	31	19	50
Sindh sales tax payable on the Trustee fee	10.2	3	-	3	7	16	29	4	2	6
		<u>23</u>	<u>-</u>	<u>30</u>	<u>58</u>	<u>140</u>	<u>251</u>	<u>35</u>	<u>21</u>	<u>56</u>

(Rupees in '000)

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

**10.2** During the period, an amount of Rs. 0.041 million (Rs 0.01 million) in NIFTM Plan - II, Rs. 0.005 million (2023: Rs. 0.002 million) in NIFTM Plan - I, Rs. 0.019 million in NIFTM Plan - V, Rs. 0.015 million in NIFTM Plan - VI and Rs. 0.020 million in NIFTM Plan - III 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			
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total	
Fee payable	11.1	27	-	37	70	170	304	29	7	36

(Rupees in '000)

**11.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2023: 0.02%) per annum of the daily net assets during the period.

The Fund is required to pay the SECP fee within fifteen days of the close of every calendar month.

## 12 ACCRUED EXPENSES AND OTHER LIABILITIES

	2024						2023		
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total
	(Rupees in '000)								
Auditors' remuneration payable	140	-	108	251	34	533	221	119	340
Legal and professional charges payable	143	5	35	20	8	211	85	18	103
Printing charges payable	14	7	7	13	4	45	26	2	28
Shariah advisor fee payable	77	4	36	30	29	176	18	3	21
Withholding tax payable	3,780	1,591	4,946	3,615	4,545	18,477	1,057	670	1,727
Listing fee	-	5	3	-	-	8	-	-	-
Brokerage payable	-	-	-	4	6	10	-	-	-
Other payable	39	670	18	15	11	753	26	2	28
	<u>4,193</u>	<u>2,282</u>	<u>5,153</u>	<u>3,948</u>	<u>4,637</u>	<u>20,213</u>	<u>1,433</u>	<u>814</u>	<u>2,247</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		
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total
	(Number)								
Total units in issue at the beginning of the period	68,987,703	39,079,898	-	-	-	108,067,601	-	-	-
Units issued during the period	6,253,984	1,092,903	64,808,454	114,941,743	279,956,333	467,053,418	76,874,310	41,204,859	118,079,169
Less: units redeemed during the period	(75,241,687)	(40,172,801)	(6,258,180)	-	(2,885,085)	(124,557,754)	(7,886,607)	(2,124,961)	(10,011,568)
Total units in issue at the end of the period	<u>-</u>	<u>-</u>	<u>58,550,274</u>	<u>114,941,743</u>	<u>277,071,248</u>	<u>450,563,265</u>	<u>68,987,703</u>	<u>39,079,898</u>	<u>108,067,601</u>

## 15 AUDITORS' REMUNERATION

	2024						2023		
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total
	(Rupees in '000)								
Annual audit fee	180	80	81	188	26	555	150	80	230
Other certification	-	-	20	50	5	75	50	20	70
Out of pocket expenses	40	13	7	13	3	76	21	19	40
	<u>220</u>	<u>93</u>	<u>108</u>	<u>251</u>	<u>34</u>	<u>706</u>	<u>221</u>	<u>119</u>	<u>340</u>

## 16 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management has distributed the required minimum percentage of income earned by NIFTM Plan - II, NIFTM Plan - I, NIFTM Plan - V, NIFTM Plan - VI and NIFTM Plan - III for the period ended June 30, 2024 to the unit holders in cash during the period, no provision for taxation has been made in these financial statements for NIFTM Plan - II, NIFTM Plan - I, NIFTM Plan - V, NIFTM Plan - VI and NIFTM Plan - III.

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 based on the current period results is 1.12% (2023:1.20%) in NIFTM Plan - II, 1.13% (2023: 1.67%) in NIFTM Plan - I, 1.25% in NIFTM Plan - V, 1.18% in NIFTM Plan - VI and 1.27% in NIFTM Plan - III which includes 0.15% (2023:0.04%) in NIFTM Plan - II , 0.11% (2023: 0.08%)

in NIFTM Plan - I, 0.20% in NIFTM Plan - V, 0.19% in NIFTM Plan - VI and 0.21% in NIFTM Plan - III representing government levies such as sales taxes and SECP fee. The TER excluding government levies is 0.97% (2023: 1.16%) in NIFTM Plan - II, 1.02% (2023: 1.59%) in NIFTM Plan - I, 1.05% in NIFTM Plan - V, 0.99% in NIFTM Plan - VI and 1.06% in NIFTM Plan - III which is within the prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an 'Shariah Compliant Fixed Rate / Return' scheme.

## 18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 18.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 18.2** Transactions with connected persons essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 18.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 18.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 18.5** Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company subject to the maximum prescribed Total Expense Ratio.
- 18.6** Details of the transactions with related parties / connected persons during the period are as follows:

	For the period from July 1, 2023 to April 18, 2024	For the period from July 1, 2023 to September 22, 2023	For the period from January 23, 2024 to June 30, 2024	For the period from April 25, 2024 to June 30, 2024	For the period from May 23, 2024 to June 30, 2024	Total	For the period from April 17, 2023 to June 30, 2023	For the period from May 30, 2023 to June 30, 2023	Total
	NIFTM Plan - II	NIFTM Plan - I	NIFTM Plan - V	NIFTM Plan - VI	NIFTM Plan - III		NIFTM Plan - II	NIFTM Plan - I	
(Rupees in '000)									
<b>NBP Fund Management Limited - Management Company</b>									
Remuneration of the Management Company	2,788	280	2,377	1,586	2,794	9,825	216	137	353
Sindh sales tax on remuneration of the Management Company	362	36	309	206	363	1,276	28	18	46
Reimbursement of allocated expenses	858	98	-	-	-	956	216	52	268
Reimbursement of selling and marketing expenses	946	139	-	-	-	1,085	720	117	837
<b>Central Depository Company of Pakistan Limited - Trustee</b>									
Remuneration of the Trustee	315	36	146	112	157	766	80	19	99
Sindh sales tax on remuneration of the Trustee	41	5	19	15	20	100	10	2	12
Settlement charges	19	1	13	7	5	45	4	2	6
<b>Portfolio managed by the Management Company</b>									
Units issued: 12,520,000 units (2023: 11,198,720 units)	-	-	-	-	125,200	125,200	111,987	-	111,987
Units redeemed: Nil (2023: 7,886,608 units)	-	-	-	-	-	-	79,236	-	79,236
Dividend re-invested: 206,505 units (2023: 215,709 units)	-	-	-	-	2,404	2,404	2,159	-	2,159
<b>GCL Officers Provident Fund - unit holder with more than 10% holding</b>									
Units issued: 781,030 (2023: 7,500,055 units)	7,813	-	-	-	-	7,813	75,000	-	75,000
Dividend re-invested: Nil (2023: 291,348 units)	-	-	-	-	-	-	2,915	-	2,915
Units redeemed: 8,572,433 units (2023: Nil)	85,760	-	-	-	-	85,760	-	-	-
<b>Employees of the Management Company</b>									
Dividend re-invested: 10,921 units	-	-	90	-	19	109	-	-	-
Units issued: 955,967 units	-	-	1,489	-	8,071	9,560	-	-	-
Units redeemed: 707,115 units	-	-	-	-	7,086	7,086	-	-	-

# NBP ISLAMIC MUSTAHKAM FUND

## Fauji Fertilizer Company Limited

Dividend re-invested: 304,542 units for NIFTMP - VI / 370,648 units for NIFTMP - III

Units issued: 9,897,539 units for NIFTMP - VI / 19,724,472 units for NIFTMP - III

## Master Textile Provident Fund - unit holder with more than 10% holding

Units issued: 2,082,747 (2023: 20,000,146 units) for NIFTMP - II / 22,956,835 units for NIFTMP - VI / 113,501,538 units for NIFTMP - III

Dividend re-invested: Nil (2023: 776,929 units) for NIFTMP - II / 831,023 units for NIFTMP - VI / 2,509,224 units for NIFTMP - III

Units redeemed: 22,859,823 units (2023: Nil) for NIFTMP - II

## Arbi Soft (Private) Limited Employees Provident Fund - unit holder with more than 10% holding

Units issued: 10,085,565 units

Dividend re-invested: 720,757 units

## Raghib Rashid - unit holder with more than 10% holding

Units issued: 143,577 (2023: 5,010,149 units)

Dividend re-invested: Nil (2023: 57,931 units)

Units redeemed: 5,212,057 units (2023: Nil)

## Sardar Abid Ali Khan - unit holder with more than 10% holding

Units issued: 129,026 units (2023: 4,502,738 units)

Dividend re-invested: Nil (2023: 52,059 units)

Units redeemed: 4,683,823 units (2023: Nil)

For the period from July 1, 2023 to April 18, 2024	For the period from July 1, 2023 to September 22, 2023	For the period from January 23, 2024 to June 30, 2024	For the period from April 25, 2024 to June 30, 2024	For the period from May 23, 2024 to June 30, 2024	Total	For the period from April 17, 2023 to June 30, 2023	For the period from May 30, 2023 to June 30, 2023	Total
NIFTM Plan - II	NIFTM Plan - I	NIFTM Plan - V	NIFTM Plan - VI	NIFTM Plan - III		NIFTM Plan - II	NIFTM Plan - I	

(Rupees in '000)

-	-	-	3,047	3,709	6,756	-	-	-
-	-	-	98,975	197,245	296,220	-	-	-
20,833	-	-	229,568	1,135,015	1,385,416	200,000	-	200,000
-	-	-	8,315	25,107	33,422	7,774	-	7,774
228,694	-	-	-	-	228,694	-	-	-
-	-	100,856	-	-	100,856	-	-	-
-	-	7,211	-	-	7,211	-	-	-
-	1,437	-	-	-	1,437	-	50,105	50,105
-	-	-	-	-	-	-	580	580
-	52,414	-	-	-	52,414	-	-	-
-	1,291	-	-	-	1,291	-	45,027	45,027
-	-	-	-	-	-	-	521	521
-	46,859	-	-	-	46,859	-	-	-

## 18.7 Amounts outstanding as at year end are as follows:

2024						2023		
NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-VI	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total

(Rupees in '000)

## NBP Fund Management Limited - Management Company

Remuneration payable to the Management Company

Sindh sales tax on remuneration payable to the Management Company

Reimbursement of selling and marketing expenses payable

Payable against preliminary

Reimbursement of allocated expenses payable

Other payables

## Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee

Sindh sales tax payable

## Portfolio managed by the Management Company

Units held: 12,760,241 units (2023: 3,527,821 units)

## Fauji Fertilizer Company Limited

Units held: 10,202,081 units (NIFTMP - VI) / 20,095,120 units (NIFTMP - III)

## Employees of the Management Company

Units held: 259,773 units

## GCL Officers Provident Fund - unit holder with more than 10% holding

Units held: Nil (2023: 7,791,403 units)

## Master Textile Provident Fund - unit holder with more than 10% holding

Units held: 23,787,858 (NIFTMP - VI) / 116,010,762 units (NIFTMP - III) / Nil (2023: 20,777,076 units) (NIFTMP - II)

223	-	465	723	2,278	3,689	84	135	219
29	-	60	94	296	479	11	18	29
281	139	-	-	-	420	720	117	837
173	173	-	-	-	346	173	173	346
327	-	-	-	-	327	216	52	268
38	43	-	-	-	81	38	42	80
20	-	27	51	124	222	31	19	50
3	-	3	7	16	29	4	2	6
-	-	-	-	128,165	128,165	35,372	-	35,372
-	-	-	102,465	201,837	304,302	-	-	-
-	-	1,587	-	1,023	2,610	-	-	-
-	-	-	-	-	-	78,121	-	78,121
-	-	-	238,913	1,165	240,078	208,321	-	208,321

	2024					2023			
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-IV	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total
Arbi Soft (Private) Limited Employees Provident Fund - unit holder with more than 10% holding									
Units held: 10,806,322 units	-	-	108,644	-	-	108,644	-	-	-
Raghib Rashid - unit holder with more than 10% holding									
Units held: Nil (2023: 5,068,480 units)	-	-	-	-	-	-	-	50,820	50,820
Sardar Abid Ali Khan - unit holder with more than 10% holding									
Units held: Nil (2023: 4,554,797 units)	-	-	-	-	-	-	-	45,669	45,669

## 19 CASH AND CASH EQUIVALENTS

	2024					2023			
	NIFTM Plan-II	NIFTM Plan-I	NIFTM Plan-V	NIFTM Plan-IV	NIFTM Plan-III	Total	NIFTM Plan-II	NIFTM Plan-I	Total
Bank balances	726,563	2,313	5,080	14,021	12,763	760,740	5,731	2,493	8,224
Term deposit receipts	-	-	-	-	-	-	-	384,000	384,000
	<u>726,563</u>	<u>2,313</u>	<u>5,080</u>	<u>14,021</u>	<u>12,763</u>	<u>760,740</u>	<u>5,731</u>	<u>386,493</u>	<u>392,224</u>

## 20 FINANCIAL INSTRUMENTS BY CATEGORY

	2024														
	NIFTM Plan-II			NIFTM Plan-I			NIFTM Plan-V			NIFTM Plan-IV			NIFTM Plan-III		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
Financial assets															
Bank balances	726,563	-	726,563	2,313	-	2,313	5,080	-	5,080	14,021	-	14,021	12,763	-	12,763
Investments	-	-	-	-	-	-	583,299	583,299	1,166,598	1,143,946	1,143,946	2,287,892	-	2,774,642	2,774,642
Profit receivable	699	-	699	324	-	324	637	-	637	1,348	-	1,348	3,039	-	3,039
Deposit and other receivable	-	-	-	-	-	-	3,619	-	3,619	-	-	-	-	-	-
Receivable against sale of investment	-	-	-	-	-	-	1,758	-	1,758	-	-	-	-	-	-
	<u>727,262</u>	<u>-</u>	<u>727,262</u>	<u>2,637</u>	<u>-</u>	<u>2,637</u>	<u>11,094</u>	<u>583,299</u>	<u>594,393</u>	<u>15,369</u>	<u>1,143,946</u>	<u>1,159,315</u>	<u>15,802</u>	<u>2,774,642</u>	<u>2,790,444</u>
Financial liabilities															
Payable to NBP Fund Management Limited - Management Company	1,071	-	1,071	355	-	355	525	-	525	817	-	817	2,574	-	2,574
Payable to Central Depository Company of Pakistan Limited - Trustee	23	-	23	-	-	-	30	-	30	58	-	58	140	-	140
Payable against redemption of units	721,948	-	721,948	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	413	-	413	691	-	691	207	-	207	333	-	333	92	-	92
	<u>723,455</u>	<u>-</u>	<u>723,455</u>	<u>1,046</u>	<u>-</u>	<u>1,046</u>	<u>762</u>	<u>-</u>	<u>762</u>	<u>1,208</u>	<u>-</u>	<u>1,208</u>	<u>2,806</u>	<u>-</u>	<u>2,806</u>

	2023					
	NIFTM Plan - II			NIFTM Plan - I		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
Financial assets						
Banks balances	5,731	-	5,731	2,493	-	2,493
Investments	-	659,713	659,713	-	384,000	384,000
Profit receivable	28,865	-	28,865	6,612	-	6,612
	<u>34,596</u>	<u>659,713</u>	<u>694,309</u>	<u>9,105</u>	<u>384,000</u>	<u>393,105</u>
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company	1,242	-	1,242	537	-	537
Payable to Central Depository Company of Pakistan Limited - the Trustee	35	-	35	21	-	21
Accrued expenses and other liabilities	376	-	376	144	-	144
	<u>1,653</u>	<u>-</u>	<u>1,653</u>	<u>702</u>	<u>-</u>	<u>702</u>

## 21 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 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 supervise 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.

### 21.1 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 fair value or 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 its balances with banks and investment in Government of Pakistan Ijarah sukuks. 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 balances with banks 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 profit for the period and net assets of the Fund would have been higher / lower by for NIFTM Plan - II: Rs. 7.266 million (2023: Rs 0.057 million), NIFTM Plan - I: Rs 0.023 million (Rs. 0.023 million), NIFTM Plan - V: Rs. 0.051 million, NIFTM Plan - VI: Rs. 0.140 million and NIFTM Plan - III: Rs. 0.128 million.

#### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds Government of Pakistan Ijarah sukuks 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 period and net assets of the Fund would have been lower / higher by for NIFTM Plan - V Rs. 5.833 million, for NIFTM Plan - VI Rs. 11.439 million and for NIFTM Plan - III Rs. 27.746 million.

The composition of the Fund's investment portfolio and KIBOR rates 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 yield / profit 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:

NIFTM Plan - II					
2024					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
<b>Financial assets</b>					
Bank balances	18.50% - 20.50%	726,563	-	-	726,563
Investments		-	-	-	-
Profit receivable		-	-	699	699
		726,563	-	699	727,262
<b>Financial liabilities</b>					
Payable to NBP Fund Management Limited - Management Company		-	-	1,071	1,071
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	23	23
Payable against redemption of units		-	-	721,948	721,948
Accrued expenses and other liabilities		-	-	413	413
		-	-	723,455	723,455
<b>On-balance sheet gap</b>		726,563	-	(72,756)	
<b>Total profit rate sensitivity gap</b>		726,563	-	-	
<b>Cumulative profit rate sensitivity gap</b>		726,563	726,563	726,563	

NIFTM Plan - I					
2024					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
<b>Financial assets</b>					
Bank balances	18.50% - 20.50%	2,313	-	-	2,313
Investments		-	-	-	-
Profit receivable		-	-	324	324
		2,313	-	324	2,637
<b>Financial liabilities</b>					
Payable to NBP Fund Management Limited - Management Company		-	-	355	355
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	-
Accrued expenses and other liabilities		-	-	691	691
		-	-	1,046	1,046
<b>On-balance sheet gap</b>		2,313	-	(722)	
<b>Total profit rate sensitivity gap</b>		2,313	-	-	
<b>Cumulative profit rate sensitivity gap</b>		2,313	2,313	2,313	

NIFTM Plan - V					
2024					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees in '000)

#### Financial assets

Bank balances	18.50%	5,080	-	-	-	5,080
Investments	19.5%	-	583,299	-	-	583,299
Receivable against sale of investment		-	-	-	1,758	1,758
Deposit and other receivable		-	-	-	3,619	3,619
Profit receivable		-	-	-	637	637
		5,080	583,299	-	6,014	594,393

#### Financial liabilities

Payable to NBP Fund Management Limited - Management Company		-	-	-	525	525
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	30	30
Accrued expenses and other liabilities		-	-	-	207	207
		-	-	-	762	762

#### On-balance sheet gap

5,080      583,299      -      5,252

#### Total profit rate sensitivity gap

5,080      583,299      -

#### Cumulative profit rate sensitivity gap

5,080      588,379      588,379

NIFTM Plan - VI					
2024					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees in '000)

#### Financial assets

Bank balances	18.50%	14,021	-	-	-	14,021
Investments	20.00%	-	1,143,946	-	-	1,143,946
Profit receivable		-	-	-	1,348	1,348
		14,021	1,143,946	-	1,348	1,159,315

#### Financial liabilities

Payable to NBP Fund Management Limited - Management Company		-	-	-	817	817
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	58	58
Accrued expenses and other liabilities		-	-	-	333	333
		-	-	-	1,208	1,208

#### On-balance sheet gap

14,021      1,143,946      -      140

#### Total profit rate sensitivity gap

14,021      1,143,946      -

#### Cumulative profit rate sensitivity gap

14,021      1,157,967      1,157,967



NIFTM Plan - III					
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)					
<b>Financial assets</b>					
Bank balances	18.50%	12,763	-	-	12,763
Investments	19.90%	-	2,774,642	-	2,774,642
Profit receivable		-	-	3,039	3,039
		12,763	2,774,642	3,039	2,790,444
<b>Financial liabilities</b>					
Payable to NBP Fund Management Limited - Management Company		-	-	2,574	2,574
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	140	140
Accrued expenses and other liabilities		-	-	92	92
		-	-	2,806	2,806
<b>On-balance sheet gap</b>		12,763	2,774,642	233	
<b>Total profit rate sensitivity gap</b>		12,763	2,774,642	-	
<b>Cumulative profit rate sensitivity gap</b>		12,763	2,787,405	2,787,405	

NIFTM Plan - II					
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)					
<b>Financial assets</b>					
Bank balances	19.50% - 20.50%	5,731	-	-	5,731
Investments	21.25%	659,713	-	-	659,713
Profit receivable		-	-	28,865	28,865
		665,444	-	28,865	694,309
<b>Financial liabilities</b>					
Payable to NBP Fund Management Limited - Management Company		-	-	1,242	1,242
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	35	35
Payable against redemption of units		-	-	-	-
Accrued expenses and other liabilities		-	-	376	376
		-	-	1,653	1,653
<b>On-balance sheet gap</b>		665,444	-	27,212	
<b>Total profit rate sensitivity gap</b>		665,444	-	-	
<b>Cumulative profit rate sensitivity gap</b>		665,444	665,444	665,444	

NIFTM Plan - I					
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)				
<b>Financial assets</b>					
Bank balances	19.50% - 20.50%	2,493	-	-	2,493
Investments	19.90% - 20.20%	384,000	-	-	384,000
Profit receivable		-	-	6,612	6,612
		386,493	-	6,612	393,105
<b>Financial liabilities</b>					
Payable to NBP Fund Management Limited - Management Company		-	-	537	537
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	21	21
Accrued expenses and other liabilities		-	-	144	144
		-	-	702	702
<b>On-balance sheet gap</b>		386,493	-	5,910	
<b>Total profit rate sensitivity gap</b>		386,493	-	-	
<b>Cumulative profit rate sensitivity gap</b>		386,493	386,493	386,493	

## (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 fair value or 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.

As of June 30, 2024, the Fund does not have investments that would expose it to price risk.

## 21.2 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 requests, 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 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 the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

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 period.

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:

NIFTM Plan - II						
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)

#### Financial liabilities

Payable to NBP Fund Management Limited - Management Company	1,071	-	-	-	-	1,071
Payable to Central Depository Company of Pakistan Limited - Trustee	23	-	-	-	-	23
Payable against redemptions of units	721,948	-	-	-	-	721,948
Accrued expenses and other liabilities	273	140	-	-	-	413
	<u>723,315</u>	<u>140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>723,455</u>

NIFTM Plan - I						
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)

#### Financial liabilities

Payable to NBP Fund Management Limited - Management Company	355	-	-	-	-	355
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-
Accrued expenses and other liabilities	691	-	-	-	-	691
	<u>1,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,046</u>

NIFTM Plan - V						
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)

#### Financial liabilities

Payable to NBP Fund Management Limited - Management Company	525	-	-	-	-	525
Payable to Central Depository Company of Pakistan Limited - Trustee	30	-	-	-	-	30
Accrued expenses and other liabilities	99	108	-	-	-	207
	<u>654</u>	<u>108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762</u>

NIFTM Plan - VI						
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)

#### Financial liabilities

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

817	-	-	-	-	-	817
58	-	-	-	-	-	58
82	251	-	-	-	-	333
<b>957</b>	<b>251</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,208</b>

NIFTM Plan - III						
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)

#### Financial liabilities

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

2,574	-	-	-	-	-	2,574
140	-	-	-	-	-	140
58	34	-	-	-	-	92
<b>2,772</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,806</b>

NIFTM Plan - II						
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)

#### Financial liabilities

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

1,242	-	-	-	-	-	1,242
35	-	-	-	-	-	35
155	221	-	-	-	-	376
<b>1,432</b>	<b>221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,653</b>

NIFTM Plan - I						
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)

#### Financial liabilities

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

537	-	-	-	-	-	537
21	-	-	-	-	-	21
25	119	-	-	-	-	144
<b>583</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>702</b>

## 21.3 Credit risk

21.3.1 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 liabilities	Maximum exposure to credit risk
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>NIFTM Plan - II</b>				
Bank balances	726,563	726,563	5,731	5,731
Investments	-	-	659,713	-
Profit receivable	699	699	28,865	90
	<u>727,262</u>	<u>727,262</u>	<u>694,309</u>	<u>5,821</u>
<b>NIFTM Plan - I</b>				
Bank balances	2,313	2,313	2,493	2,493
Investments	-	-	384,000	384,000
Profit receivable	324	324	6,612	6,612
	<u>2,637</u>	<u>2,637</u>	<u>393,105</u>	<u>393,105</u>
<b>NIFTM Plan - V</b>				
Bank balances	5,080	5,080	-	-
Investments	583,299	-	-	-
Deposit and other receivable	3,619	100	-	-
Profit receivable	637	58	-	-
Receivable against sale of investment	1,758	-	-	-
	<u>594,393</u>	<u>5,238</u>	<u>-</u>	<u>-</u>
<b>NIFTM Plan - VI</b>				
Bank balances	14,021	14,021	-	-
Investments	1,143,946	-	-	-
Profit receivable	1,348	122	-	-
	<u>1,159,315</u>	<u>14,143</u>	<u>-</u>	<u>-</u>
<b>NIFTM Plan - III</b>				
Bank balances	12,763	12,763	-	-
Investments	2,774,642	-	-	-
Profit receivable	3,039	63	-	-
	<u>2,790,444</u>	<u>12,826</u>	<u>-</u>	<u>-</u>

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 government securities and profit accrued thereon, however, are not exposed to credit risk and have been excluded from the above analysis as investment in government securities are guaranteed by the Government of Pakistan.

## Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, accrued profit thereon. Their credit rating profile is as follows:

Rating	2024					2023	
	% of financial assets exposed to credit risk					% of financial assets exposed	
	NIFTMP Plan - II	NIFTMP Plan - I	NIFTMP Plan - V	NIFTMP Plan - VI	NIFTMP Plan - III	NIFTMP Plan - II	NIFTMP Plan - I

### Bank balances and accrued profit thereon

AAA	-	96.89%	-	-	-	0.001%	0.612%
AA+	-	-	-	-	-	0.001%	0.001%
AA	99.90%	3.11%	0.86%	1.22%	0.46%	0.836%	0.066%

## 22 FAIR VALUE MEASUREMENT

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

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

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

### Fair value hierarchy

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

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

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

### 22.1

2024														Total	
NIFTMP Plan - II			NIFTMP Plan - I			NIFTMP Plan - VI			NIFTMP Plan - III			NIFTMP Plan - V			
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2		Level 3

(Rupees in '000)

#### ASSETS

Investments - financial assets 'at fair value through profit or loss'  
- GoP Ijarah Sukuks

-	-	-	-	-	-	583,299	-	-	1,143,946	-	-	2,774,642	-	-	4,501,887
-	-	-	-	-	-	583,299	-	-	1,143,946	-	-	2,774,642	-	-	4,501,887

2023						
NIFTMP Plan - II			NIFTMP Plan - I			Total
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(Rupees in '000)						

## ASSETS

Investments - financial assets 'at fair

value through profit or loss'

- Term Deposit Certificate\*

- GoP Ijarah Sukuks

-	-	-	-	384,000	-	384,000
-	659,713	-	-	-	-	659,713
-	659,713	-	-	384,000	-	1,043,713

\* The carrying value of these securities approximate their fair values since these are short term in nature and are placed with counter parties which have credit ratings.

## 23 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 maintained and complied with the requirement of minimum fund size at all times during the period.

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 21, 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.

## 24 UNIT HOLDING PATTERN OF THE FUND

Category	2024					
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
	NIFTM Plan-II			NIFTM Plan-I		
Individuals	-	-	-	-	-	-
Others	-	-	-	-	-	-
Retirement funds	-	-	-	-	-	-
	-	-	-	-	-	-
	NIFTM Plan-V			NIFTM Plan-VI		
Individuals	47	426,404	72.44%	36	410,020	35.52%
Others	1	21,284	3.61%	2	111,812	9.68%
Associated company and directors	-	-	0.00%	1	102,465	8.88%
Retirement funds	2	140,960	23.95%	8	530,125	45.92%
	50	588,648	100.00%	47	1,154,422	100.00%

	NIFTM Plan-III		
Individuals	91	861,317	30.95%
Others	3	151,888	5.46%
Associated company and directors	1	201,837	7.25%
Retirement funds	11	1,567,881	56.34%
	<u>106</u>	<u>2,782,923</u>	<u>100.00%</u>

Category	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)	
	NIFTM Plan-II			NIFTM Plan-I		
Individuals	19	256,070	37.02%	31	288,466	73.62%
Others	2	35,660	5.16%	1	3,049	0.78%
Retirement funds	8	399,978	57.82%	5	100,325	25.60%
	<u>29</u>	<u>691,708</u>	<u>100.00%</u>	<u>37</u>	<u>391,840</u>	<u>100.00%</u>

## 25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

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 28.1)	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

25.1 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 Daily Dividend 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

## 26 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 directors	Number of meetings			Meetings not attended
	Held / applicable	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	-	-

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

## 28 DATE OF AUTHORISATION FOR ISSUE

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

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

## PERFORMANCE TABLE

Particulars	June 30, 2024		
	NIFTMP-III	NIFTMP-V	NIFTMP-VI
	For the Period from May 23, 2024 to June 30, 2024	For the Period from January 23, 2024 to June 30, 2024	For the Period from April 25, 2024 to June 30, 2024
Net assets at the year / period ended (Rs '000)	2,782,923	588,648	1,154,422
Net income/(loss) for the year / period ended (Rs '000)	72,343	45,213	45,286
Net Asset Value per unit at the year / period ended (Rs)	10.0441	10.0537	10.0435
Offer Price per unit	N/A	N/A	N/A
Redemption Price per unit	10.0441	10.0537	10.0435
Ex - Highest offer price per unit (Rs.)	N/A	N/A	N/A
Ex - Lowest offer price per unit (Rs.)	N/A	N/A	N/A
Ex - Highest redemption price per unit (Rs.)	10.0441	10.0537	10.0435
Ex - Lowest redemption price per unit (Rs.)	9.7836	9.3321	9.6505
Opening Nav of Fiscal Year/Since inception NAV	9.7836	9.3327	9.6505
Total return of the fund	25.58%	17.73%	22.52%
Capital growth	23.36%	10.58%	18.90%
Income distribution as a % of ex nav	2.21%	7.15%	3.62%
Income distribution as a % of par value	2.21%	7.15%	3.62%
<b>Distribution</b>			
Interim distribution per unit	0.2212	0.715	0.3622
Interim distribution per unit			
Final distribution per unit			
<b>Distribution Dates</b>			
Interim	27-Jun-24	27-Jun-24	26-Jun-24
Interim			
Average annual return of the fund (Since inception to June 30, 2024)	25.58%	17.73%	22.52%
(Since inception to June 30, 2023)			
Portfolio Composition ( Please see Fund Manager Report)			
<i>Past performance is not necessarily indicative of future</i>			

## Head Office

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