

NBP FUNDS
Managing Your Savings

Aitemaad اعتمالا



اسلامک سیونگز

Islamic Savings

NBP Fund Management Limited



NBP ISLAMIC INCOME FUND

HALF YEARLY REPORT
DECEMBER 31, 2024

AM1
Rated by PACRA

MISSION STATEMENT

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

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	09
INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS	10
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	11
CONDENSED INTERIM INCOME STATEMENT	12
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	13
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	14
CONDENSED INTERIM CASH FLOW STATEMENT	15
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION	16

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. Faisal Ahmed	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Zaheer Iqbal

Audit & Risk Committee

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

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

Bank Islami Pakistan Limited
United Bank Limited (Islamic)
Dubai Islamic Bank Pakistan Limited
Meezan Bank Limited
Silk Bank Limited (Emaan Islamic)
AlBaraka Bank (Pakistan) Limited
National Bank of Pakistan (Islamic Banking)
Habib Bank Limited (Islamic)
MCB Bank Limited
Bank Alfalah Limited (Islamic)
Habib Metropolitan Bank Limited
Soneri Bank Limited
JS Bank Limited
Faysal Bank Limited

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of **NBP Fund Management Limited** is pleased to present the reviewed financial statements of **NBP Islamic Income Fund (NBP-IIF)** for the half year ended December 31, 2024.

Fund's Performance

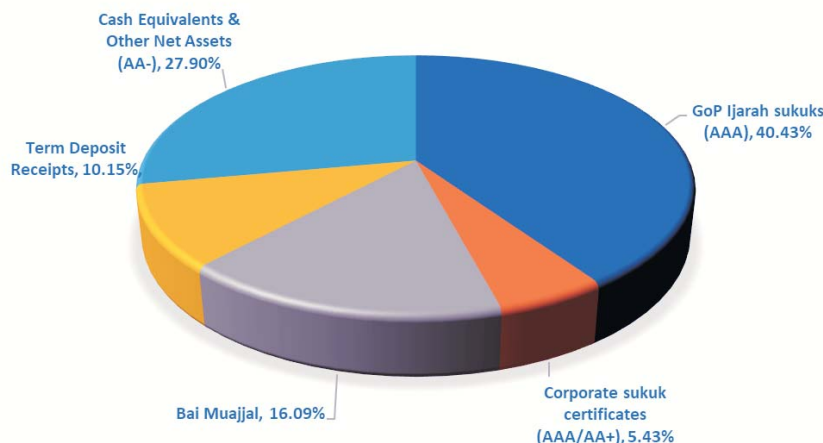
During the first half of fiscal year 2025, the State Bank of Pakistan (SBP) held four Monetary Policy Committee (MPC) meetings, reducing the policy rate to 13% in a calibrated manner, aiming to balance inflationary pressures while supporting economic growth. The MPC emphasized that maintaining a tight monetary policy stance was instrumental in sustaining the downward trend in inflation while fostering improved growth prospects. A continued moderation in food inflation, driven by supportive supply-side dynamics and stable global commodity prices, contributed to sustaining economic momentum. There was a notable increase in credit to the private sector, reflecting the easing of financial conditions and banks' efforts partially to meet the advances-to-deposit ratio (ADR) requirements. This growth in credit signaled improved business confidence and economic activity.

Secondary market yields on government securities and KIBOR witnessed substantial declines during this period, indicating reduced borrowing costs and improved liquidity conditions. As of December-end, net liquid foreign exchange reserves held by the SBP stood at approximately USD 11.7 billion. The Ministry of Finance (MoF) conducted six fixed- and variable-rate Sukuk auctions, accepting bids worth approximately Rs. 884 billion against a target of Rs. 920 billion. In the final auction of the half-year, cut-off yields for fixed-rate Sukuk stood at 11.5%, 12.1%, and 11.7% for 3-year, 5-year, and 10-year tenures, respectively. Meanwhile, the cut-off yields for variable-rate Sukuk were recorded at 13.3%, 13.4%, and 13.7% for the same tenures.

NBP-IIF is categorized as a Shariah Compliant Income-IIF and has been awarded stability rating of 'A+(f)' by PACRA. The fund aims to provide competitive returns by investing in Shariah compliant debt securities and money market instruments. The Fund is allowed to invest with A- or above rated Islamic Banks, Islamic branches / windows of conventional banks providing easy liquidity. The Fund is allowed to invest in Shariah Compliant Money Market instruments & debt securities rated A or better. The Fund is not authorized to invest in Equities. The weighted average time to maturity of the Fund cannot exceed 4 years excluding government securities.

The size of NBP Islamic Income Fund has increased from Rs. 6,386 million to Rs. 9,854 million during the period, a growth of 54%. The unit price of the Fund has increased from Rs. 10.1225 on June 30, 2024 to Rs. 11.0196 on December 31, 2024 thus showing return of 17.6% p.a. as compared to its benchmark return of 10.0% p.a. for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 804.098 million during the period. After deducting total expenses of Rs. 79.613 million, the net income is Rs. 724.485 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NBP-IIF.



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: February 26, 2025
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2024ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک انکم فنڈ (NBP-IIF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 2025 کی پہلی ششماہی کے دوران اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (ایم پی سی) کے چار اجلاس منعقد کیے، جس میں پالیسی ریٹ کو کم کر کے 13 فیصد کر دیا گیا، جس کا مقصد معاشی نمو کی حمایت کرتے ہوئے افراط زر کے دباؤ کو متوازن کرنا تھا۔ ایم پی سی نے اس بات پر زور دیا کہ سخت مانیٹری پالیسی کو برقرار رکھنے سے افراط زر میں کمی کے رجحان کو برقرار رکھنے میں مدد ملی جبکہ ترقی کے بہتر امکانات کو فروغ ملا۔ غذائی افراط زر میں مسلسل اعتدال، جس کی بنیادی وجہ رسد کی طرف کی تحریکات اور مستحکم عالمی اجناس کی قیمتیں ہیں، نے معاشی رفتار کو برقرار رکھنے میں اہم کردار ادا کیا۔ نجی شعبے کے قرضوں میں قابل ذکر اضافہ ہوا، جو مالیاتی حالات میں نرمی اور بینکوں کی ایڈوانس ٹو ڈیپازٹ تناسب (اے ڈی آر) کے تقاضوں کو جزوی طور پر پورا کرنے کی کوششوں کی عکاسی کرتا ہے۔ کریڈٹ میں اس اضافے نے کاروباری اعتماد اور معاشی سرگرمی میں بہتری دکھائی ہے۔

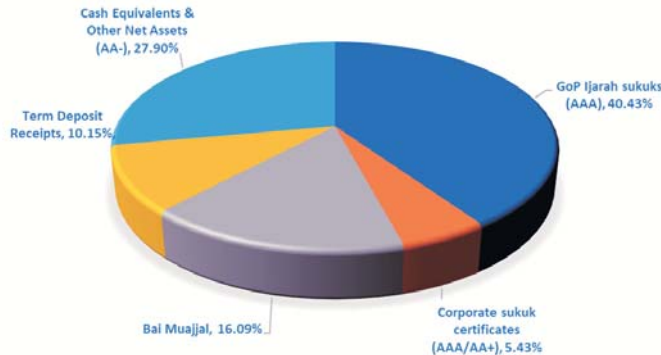
اس عرصے کے دوران گورنمنٹ سکیورٹیز اور کارپوریٹ مارکیٹ کے شرح منافع میں خاطر خواہ کمی دیکھی گئی، جو قرض کی لاگت میں کمی اور لیکویڈیٹی کی بہتر صورتحال کی نشاندہی کرتی ہے۔ دسمبر کے اختتام تک اسٹیٹ بینک آف پاکستان کے پاس خالص لیکویڈیٹیز رزرو مبادلہ کے ذخائر تقریباً 11.7 بلین ڈالر تھے۔ وزارت خزانہ نے 920 بلین روپے کے ہدف کے مقابلے میں تقریباً 884 بلین روپے کی چھ مقررہ اور متغیر شرح سکوک نیلامیاں کیں۔ ششماہی کی آخری نیلامی میں مقررہ شرح سکوک کا کٹ آف شرح منافع 3 سال، 5 سال اور 10 سال کی مدت کے لیے بالترتیب 11.5 فیصد، 12.1 فیصد اور 11.7 فیصد رہے۔ دریں اثنا، متغیر شرح سکوک کے لئے کٹ آف شرح منافع اسی مدت کے لئے 13.3 فیصد، 13.4 فیصد اور 13.7 فیصد درج کی گئی۔

NBP-IIF کی درجہ بندی بطور شریعہ کمپلائنسٹ انکم فنڈ کی گئی ہے اور اسے PACRA کی طرف سے A+(f) کی مستحکم ریٹنگ دی گئی ہے۔ اس فنڈ کا مقصد شریعت کے مطابق قرضوں کی سکیورٹیز اور منی مارکیٹ کے آلات میں سرمایہ کاری کر کے مسابقتی منافع فراہم کرنا ہے۔ فنڈ اسلامک بینکوں، روایتی بینکوں کی اسلامک برانچز اور ونڈز میں آسانی سے لیکویڈیٹی فراہم کرنے والے A یا بالا درجہ کے اسلامی بینکوں کے ساتھ سرمایہ کاری کی اجازت دیتا ہے۔ فنڈ کو شریعت کے مطابق A یا اس سے بالا درجہ بندی کے منی مارکیٹ کے آلات اور ڈیپٹ سیکورٹیز میں سرمایہ کاری کرنے کی اجازت ہے۔ فنڈ ایکویٹی میں سرمایہ کاری کرنے کا مجاز نہیں ہے۔ گورنمنٹ سکیورٹیز کے علاوہ فنڈ کی میچورٹی کی اوسط مدت 4 سال سے زیادہ نہیں ہو سکتی ہے۔

NBP اسلامک انکم فنڈ کا ساٹھ ماہ 6,386 ملین روپے سے بڑھ کر اس مدت کے دوران 9,386 ملین روپے ہو گیا (یعنی 54% کا اضافہ) ہے۔ اس مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2024 کو 10.1225 روپے سے بڑھ کر 31 دسمبر 2024 کو 11.0196 روپے ہو گئی۔ لہذا فنڈ نے اسی مدت میں بیچ مارک منافع 10.0% سالانہ کے مقابلے میں 17.6% سالانہ منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو اس مدت کے دوران 804.098 ملین روپے کی مجموعی آمدنی ہوئی۔ 79.613 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 724.485 ملین روپے ہے۔

درج ذیل چارٹ NBP-IIF کی ایسٹ بلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





اظہار تشکر

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 26 فروری 2025ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Income 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 six months period ended December 31, 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.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 28, 2025

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Islamic Income Fund** (the Fund) as at December 31, 2024 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2024. The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 28, 2025

Karachi

UDIN: RR202410061OP25Llb7e

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2024

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----			
ASSETS			
Bank balances	4	2,601,467	1,468,843
Investments	5	7,104,669	4,689,467
Profit receivable		192,137	254,858
Prepayments, deposits and other receivables		588	443
Receivable against transfer of units		32,189	183,828
Preliminary expenses and floatation costs	6	95	173
Total assets		9,931,145	6,597,612
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	7	31,030	23,417
Payable to Central Depository Company of Pakistan Limited - the Trustee	8	729	459
Payable to the Securities and Exchange Commission of Pakistan	9	634	406
Payable against redemption of units		26,381	67,020
Accrued expenses and other liabilities	10	18,237	120,167
Total liabilities		77,011	211,469
NET ASSETS		9,854,134	6,386,143
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,854,134	6,386,143
CONTINGENCIES AND COMMITMENTS			
	11		
----- Number of units -----			
NUMBER OF UNITS IN ISSUE		894,236,054	630,887,222
----- Rupees -----			
NET ASSET VALUE PER UNIT	12	11.0196	10.1225

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

	Note	Half year ended December 31,		Quarter ended December 31,	
		2024	2023	2024	2023
(Rupees in '000)					
INCOME					
Income on sukuk certificates		406,154	197,262	190,139	138,813
Income on term deposit receipts		50,944	58,386	38,718	2,298
Income on certificates of musharakah		18,031	72,515	4,998	36,138
Income on bai muajjal receivable		67,017	-	51,631	-
Profit on bank balances		183,681	204,049	83,521	112,556
Net (loss) / gain on sale of investment		(5,389)	5,030	(5,498)	5,082
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.6	83,660	15,266	45,375	14,975
		<u>78,271</u>	<u>20,296</u>	<u>39,877</u>	<u>20,057</u>
Total income		<u>804,098</u>	<u>552,508</u>	<u>408,884</u>	<u>309,862</u>
EXPENSES					
Remuneration of NBP Fund Management Limited - the Management Company	7.1	41,416	30,102	20,566	16,203
Sindh sales tax on remuneration of the Management Company	7.2	6,212	3,913	3,085	2,106
Reimbursement of Allocated expenses	7.3	5,389	3,789	3,468	2,040
Sindh sales tax on reimbursement of allocated expenses	7.5	808	-	520	-
Reimbursement of Selling and marketing expenses	7.4	14,960	7,326	9,389	3,944
Sindh sales tax on reimbursement of selling and marketing expenses	7.5	2,244	-	1,408	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	8.1	3,285	1,895	1,844	1,020
Sindh sales tax on remuneration of the Trustee	8.2	493	246	277	132
Fee to the Securities and Exchange Commission of Pakistan	9.1	3,285	1,895	1,844	1,020
Amortisation of preliminary expenses and floatation costs	6.1	78	78	39	39
Auditors' remuneration		452	324	329	1
Legal and professional charges		91	75	46	37
Listing fee		15	15	7	13
Shariah advisor fee		408	351	204	75
Settlement and bank charges		252	228	123	124
Printing expenses		40	120	20	95
Securities and transaction cost		59	67	18	67
Rating fee		126	114	63	68
Total expenses		<u>79,613</u>	<u>50,538</u>	<u>43,250</u>	<u>26,984</u>
Net income for the period before taxation		<u>724,485</u>	<u>501,970</u>	<u>365,634</u>	<u>282,878</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>724,485</u>	<u>501,970</u>	<u>365,634</u>	<u>282,878</u>
Earnings per unit					
Allocation of net income for the period					
Net income for the period after taxation		724,485	501,970		
Income already paid on units redeemed		(148,167)	(69,732)		
		<u>576,318</u>	<u>432,238</u>		
Accounting income available for distribution					
- Relating to capital gains		78,271	20,296		
- Excluding capital gains		498,047	411,942		
		<u>576,318</u>	<u>432,238</u>		

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- (Rupees in '000) -----			
Net income for the period after taxation	724,485	501,970	365,634	282,878
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>724,485</u>	<u>501,970</u>	<u>365,634</u>	<u>282,878</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	For the half year ended December 31, 2024			For the half year ended December 31, 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period (audited)	6,323,316	62,827	6,386,143	5,110,294	47,267	5,157,561
Issuance of 827,655,294 units (2023: 394,283,880 units)						
- Capital value (at net asset value per unit at the beginning of the period)	8,377,941	-	8,377,941	3,980,651	-	3,980,651
- Element of income	387,365	-	387,365	297,398	-	297,398
Total proceeds on issuance of units	8,765,306	-	8,765,306	4,278,049	-	4,278,049
Redemption 564,306,462 units (2023: 260,520,922 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(5,712,192)	-	(5,712,192)	(2,630,193)	-	(2,630,193)
- Element of loss	(161,441)	(148,167)	(309,608)	(44,666)	(69,732)	(114,398)
Total payments on redemption of units	(5,873,633)	(148,167)	(6,021,800)	(2,674,859)	(69,732)	(2,744,591)
Total comprehensive income for the period	-	724,485	724,485	-	501,970	501,970
Net assets at the end of the period (un-audited)	<u>9,214,989</u>	<u>639,145</u>	<u>9,854,134</u>	<u>6,713,484</u>	<u>479,505</u>	<u>7,192,989</u>
Undistributed income brought forward						
- Realised income		68,727			64,360	
- Unrealised loss		(5,900)			(17,093)	
		<u>62,827</u>			<u>47,267</u>	
Accounting income available for distribution:						
- Relating to capital gains		78,271			20,296	
- Excluding capital gains		498,047			411,942	
		<u>576,318</u>			<u>432,238</u>	
Undistributed income carried forward		<u>639,145</u>			<u>479,505</u>	
Undistributed income carried forward:						
- Realised income		555,485			464,239	
- Unrealised income		83,660			15,266	
		<u>639,145</u>			<u>479,505</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>10.1225</u>			<u>10.0959</u>
Net asset value per unit at the end of the period			<u>11.0196</u>			<u>11.1585</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Note	Half year ended	
		December 31, 2024	December 31, 2023
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		724,485	501,970
Adjustments:			
Income on sukuk certificates		(406,154)	(197,262)
Income on term deposit receipts		(50,944)	(58,386)
Income on certificates of musharakah		(18,031)	(72,515)
Income on bai muajjal receivable		(67,017)	-
Profit on bank balances		(183,681)	(204,049)
Loss on sale of investment - net		5,389	(5,030)
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.6	(83,660)	(15,266)
Amortisation of preliminary expenses and floatation costs	6.1	78	78
		(804,020)	(552,430)
Increase in assets			
Investments - net		(1,581,931)	(2,287,918)
Deposits and other receivables		(145)	(129)
		(1,582,076)	(2,288,047)
Decrease in liabilities			
Payable to NBP Fund Management Limited - the Management company		7,613	8,842
Payable to Central Depository Company of Pakistan Limited - the Trustee		270	111
Payable to the Securities and Exchange Commission of Pakistan		228	(1,005)
Accrued expenses and other liabilities		(101,930)	(74,793)
		(93,819)	(66,845)
Profit received on bank balances		183,681	204,049
Profit received on sukuk certificates, term deposit receipts, certificate of musharakah and bai muajjal receivable		604,867	228,813
Net cash used in operating activities		(966,882)	(1,972,490)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		8,916,945	4,210,238
Payments against redemption of units		(6,062,439)	(2,799,941)
Net cash generated from financing activities		2,854,506	1,410,297
Increase / (decrease) in cash and cash equivalents during the period		1,887,624	(562,193)
Cash and cash equivalents at the beginning of the period		1,713,843	4,442,673
Cash and cash equivalents at the end of the period	4.2	3,601,467	3,880,480

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 NBP Islamic Income 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 March 9, 2020.

In the year 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 16, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at the 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund has been categorised as an open end Shariah compliant income fund by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from August 13, 2020 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to provide competitive returns by investing in Shariah compliant debt securities and money market instruments.

1.5 The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 ' with 'stable outlook' (June 30, 2024: AM1 ' with 'stable outlook') on June 22, 2023. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at A+(f) (June 30, 2024: A+(f) on April 09, 2024) dated October 10, 2024.

1.6 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of the financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2024.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the half year ended December 31, 2024.

3 MATERIAL ACCOUNTING POLICY INFORMATION, SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The material accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2024.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the annual audited financial statements as at and for the year ended June 30, 2024. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2024.

3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these do not have any significant impact on the Fund's condensed interim financial statements and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2025. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

- 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 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- 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 with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----			
4 BANK BALANCES			
Balances with banks in:			
Current accounts	4.1	12,356	18,317
Saving accounts	4.1	2,589,111	1,450,526
		<u>2,601,467</u>	<u>1,468,843</u>

4.1 These include balances of Rs 2.31 million (June 30, 2024: Rs 3.15 million) maintained with National Bank of Pakistan (related party) that carry profit at the rate of 6% (June 30, 2024: 10.00%) per annum. Other savings accounts of the Fund carry profit at the rate ranging from 0.10% to 12.00% (June 30, 2024: 10.00% to 19.85%) per annum.

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----			
4.2 Cash and cash equivalents:			
Bank balances	4	2,601,467	1,468,843
Term deposit receipts	5.3	1,000,000	-
Certificates of musharakah	5.4	-	245,000
		<u>3,601,467</u>	<u>1,713,843</u>

5 INVESTMENTS

At fair value through profit or loss

Government securities - GoP Ijarah sukuks	5.1	3,983,918	3,591,025
Corporate sukuk certificates	5.2	535,214	853,442
Term deposit receipts	5.3	1,000,000	-
Certificates of musharakah	5.4	-	245,000
Bai muajjal receivable	5.5	1,585,537	-
		<u>7,104,669</u>	<u>4,689,467</u>

5.1 GoP Ijarah sukuks

Name of the security	Profit payments	Maturity date	Profit rate	As at July 1, 2024	Purchased during the period	Sold / Matured during the period	As at December 31, 2024	Carrying value as at December 31, 2024	Market value as at December 31, 2024	Unrealised appreciation / (diminution)	Market value as a percentage of	
				----- Number of certificates -----			----- (Rupees in '000) -----		----- % -----			
GoP Ijarah sukuk GIS - VRR - XXXIX (Face value of Rs. 100,000 per certificate)	Semi - Annually	October 09, 2024	Weighted average 6 months T-Bills	7,550	7,500	15,050	-	-	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XL (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 04, 2024	Weighted average 6 months T-Bills	250	-	250	-	-	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XXXVII (Face value of Rs. 100,000 per certificate)	Semi - Annually	August 07, 2024	Weighted average 6 months T-Bills	5,450	1	5,451	-	-	-	-	-	-
GoP Ijarah sukuk GIS - FRR - XXXII (Face value of Rs. 100,000 per certificate)	Semi - Annually	October 09, 2024	22.49%	4,400	-	4,400	-	-	-	-	-	-
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	December 09, 2024	19.52%	165,032	-	165,032	-	-	-	-	-	-
GoP Ijarah sukuk GIS - VRR - XIX (Face value of Rs. 100,000 per certificate)	Semi - Annually	May 29, 2025	Weighted average 6 months T-Bills	1,000	-	-	1,000	99,750	100,980	1,230	1.42%	1.02%
GoP Ijarah sukuk GIS - VRR - XXV (Face value of Rs. 100,000 per certificate)	Semi - Annually	April 27, 2027	Weighted average 6 months T-Bills	38	-	-	38	3,826	3,924	98	0.06%	0.04%
GoP Ijarah sukuk GIS - VRR - XXVI (Face value of Rs. 100,000 per certificate)	Semi - Annually	October 26, 2027	Weighted average 6 months T-Bills	2,750	-	-	2,750	276,595	282,948	6,353	3.98%	2.87%

Name of the security	Profit payments	Maturity date	Profit rate	As at July 1, 2024	Purchased during the period	Sold / Matured during the period	As at December 31, 2024	Carrying value as at December 31, 2024	Market value as at December 31, 2024	Unrealised appreciation / (diminution)	Market value as a percentage of	
											Total investments of the Fund	Net assets of the Fund
				----- Number of certificates -----				----- (Rupees in '000) -----				----- % -----
GoP Ijarah sukuk GIS - VRR - XXIII (Face value of Rs. 100,000 per certificate)	Semi - Annually	October 06, 2026	Weighted average 6 months T-Bills	-	12,000	9,500	2,500	255,050	254,975	(75)	3.59%	2.59%
GoP Ijarah sukuk GIS - VRR - XXXI (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 4, 2026	Weighted average 6 months T-Bills	750	-	-	750	74,865	76,613	1,748	1.08%	0.78%
GoP Ijarah sukuk GIS - VRR - XLI (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 4, 2028	Weighted average 6 months T-Bills	1,000	-	-	1,000	100,160	104,030	3,870	1.46%	1.06%
GoP Ijarah sukuk GIS - FRR - XLII (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 4, 2026	16.19%	1,500	-	-	1,500	150,165	159,975	9,810	2.25%	1.62%
GoP Ijarah sukuk GIS - VRR - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Semi - Annually	October 21, 2027	Weighted average 6 months T-Bills	-	30,000	-	30,000	150,682	152,250	1,568	2.14%	1.55%
GoP Ijarah sukuk GIS - VRR - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Semi - Annually	October 21, 2029	Weighted average 6 months T-Bills	-	25,000	-	25,000	125,781	128,750	2,969	1.81%	1.31%
GoP Ijarah sukuk GIS - VRR - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Semi - Annually	September 18, 2029	Weighted average 6 months T-Bills	-	12,500	-	12,500	62,500	63,906	1,406	0.90%	0.65%
GoP Ijarah sukuk GIS - VRR - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Semi - Annually	September 18, 2027	Weighted average 6 months T-Bills	-	52,500	-	52,500	262,500	265,125	2,625	3.73%	2.69%
GoP Ijarah sukuk GIS - VRR - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Semi - Annually	June 28, 2029	Weighted average 6 months T-Bills	-	5,000	-	5,000	25,565	25,750	185	0.36%	0.26%
GoP Ijarah sukuk GIS - VRR - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Semi - Annually	June 28, 2027	Weighted average 6 months T-Bills	-	5,000	-	5,000	25,449	25,700	251	0.36%	0.26%
GoP Ijarah sukuk GIS - VRR - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Semi - Annually	January 24, 2027	Weighted average 6 months T-Bills	35,000	-	-	35,000	175,875	181,125	5,250	2.55%	1.84%
GoP Ijarah sukuk GIS - VRR - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Semi - Annually	January 24, 2029	Weighted average 6 months T-Bills	35,000	-	-	35,000	175,350	181,125	5,775	2.55%	1.84%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	July 25, 2025	17.22%	-	30,000	-	30,000	137,616	141,525	3,909	1.99%	1.44%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	August 15, 2025	15.99%	-	10,000	-	10,000	45,730	47,165	1,435	0.66%	0.48%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	September 17, 2025	15.00%	-	150,000	-	150,000	680,559	703,500	22,941	9.90%	7.14%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	October 20, 2025	11.75%	-	25,000	-	25,000	114,483	115,950	1,467	1.63%	1.18%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	November 06, 2025	11.00%	-	110,200	-	110,200	504,762	510,502	5,740	7.19%	5.18%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	December 03, 2025	11.00%	-	100,000	-	100,000	454,375	458,100	3,725	6.45%	4.65%
Total as at December 31, 2024 (un-audited)								<u>3,901,638</u>	<u>3,983,918</u>	<u>82,280</u>	<u>56.07%</u>	<u>40.43%</u>
Total as at June 30, 2024 (audited)								<u>3,592,064</u>	<u>3,591,025</u>	<u>(1,039)</u>		

5.2 Corporate sukuk certificates

Name of the security	Rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2024	Purchases during the period	Sold / redeemed during the period	As at December 31, 2024	Carrying value as at December 31, 2024	Market value as at December 31, 2024	Unrealised (diminution) / appreciation	Market value as a percentage of		
					Number of certificates				Rupees in '000			Total investments of the fund	Net assets of the fund	
POWER GENERATION & DISTRIBUTION														
Hub Power Holdings Limited (Non-traded) (Face value of Rs 100,000 per certificate)	AA, PACRA	Semi-Annually	November 12, 2025	6 months KIBOR plus base rate of 2.50%	700	-	700	-	-	-	-	0.00%	0.00%	
Engro Powergen Thar (Private) Limited (Non-traded) (Face value of Rs 2,500 per certificate)	AA, PACRA	Quarterly	August 2, 2024	3 months KIBOR plus base rate of 1.10%	60,000	-	60,000	-	-	-	-	0.00%	0.00%	
K-Electric Limited - Short term sukuk PPSTS-XXII (Face value of Rs 1,000,000 per certificate)	AA, PACRA	Semi-annually	July 10, 2024	6 months KIBOR plus base rate of 0.15%	460	-	460	-	-	-	-	0.00%	0.00%	
Pak Energy Sukuk-II - Listed (Face value of Rs 5,000 per certificate)	AA+, PACRA	Semi-annually	May 31, 2030	6 months KIBOR plus base rate of -0.10%	30,000	-	-	30,000	150,180	151,500	1,320	2.13%	1.54%	
AirLink - SST - II (Face value of Rs 1,000,000 per certificate)	A+, PACRA	Semi-annually	March 24, 2025	6 months KIBOR plus base rate of 1.75%	-	200	-	200	200,000	200,000	-	2.82%	2.03%	
Ismail Industries Limited - SST (Face value of Rs 1,000,000 per certificate)	A1, PACRA	Semi-annually	February 20, 2025	1 month KIBOR plus base rate of 0.15%	-	150	-	150	150,000	150,000	-	2.11%	1.52%	
K-Electric Limited - Sukuk V (Traded) (Face value of 2,750 per certificate)	AA, PACRA	Semi-annually	August 3, 2027	3 months KIBOR plus base rate of 1.70%	11,990	-	-	11,990	33,654	33,714	60	0.47%	0.34%	
Total as at December 31, 2024 (un-audited)									533,834	535,214	1,380	7.53%	5.43%	
Total as at June 30, 2024 (audited)									858,303	853,442	(4,861)			

5.3 Term deposit receipts

Name of investee company	Rating	Maturity date	Profit rate	As at July 1, 2024	Purchased during the period	Matured during the period	As at December 31, 2024	Carrying value as at December 31, 2024	Market value as at December 31, 2024	Unrealised appreciation / (diminution)	Market value as a percentage of		
				Number of certificates				Rupees in '000			Total investments of the Fund	Net assets of the fund	
Commercial banks													
Bank Alfalah Limited - Islamic banking	AAA,PACRA	August 12, 2024	19.80%	-	700,000	700,000	-	-	-	-	-	-	
Bank Alfalah Limited - Islamic banking	AAA,PACRA	October 30, 2024	16.60%	-	1,000,000	1,000,000	-	-	-	-	-	-	
Bank Alfalah Limited - Islamic banking	AAA,PACRA	December 2, 2024	15.60%	-	1,000,000	1,000,000	-	-	-	-	-	-	
Bank Alfalah Limited - Islamic banking	AAA,PACRA	January 2, 2025	13.90%	-	1,000,000	-	1,000,000	1,000,000	1,000,000	-	14.08%	10.15%	
Total as at December 31, 2024 (un-audited)									1,000,000	1,000,000	-	0.00%	0.00%
Total as at June 30, 2024 (audited)									-	-	-		

5.4 Certificates of Musharakah

Name of investee company	Rating	Maturity date	Profit rate	Face Value				Carrying value as at December 31, 2024	Market value as at December 31, 2024	Unrealised appreciation / (diminution)	Market value as a percentage of		
				As at July 1, 2024	Placed during the period	Matured during the period	As at December 31, 2024				Total investments of the Fund	Net assets of the Fund	
Non-bank islamic financial institutions													
First Habib Modaraba	AA+, PACRA	August 2, 2024	21.90%	245,000	-	245,000	-	-	-	-	-	-	
First Habib Modaraba	AA+, PACRA	November 6, 2024	19.60%	-	258,524	258,524	-	-	-	-	0.00%	0.00%	
Total as at December 31, 2024 (un-audited)									-	-	-	0.00%	0.00%
Total as at June 30, 2024 (audited)									245,000	245,000	-		

5.5 Bai muajjal receivable

Name of investee company	Rating	Maturity date	Profit rate	Total transaction price	Deferred income	Accrued profit	Carrying value	Market value as a percentage of	
								Total investments of the Fund	Net assets of the Fund
(Rupees in '000)								%	
Non-bank Islamic financial institutions									
Pak Libya Holding Company (Pvt.) Limited	AA-, PACRA	February 21, 2025	17.75%	883,026	20,120	51,680	811,226	11.42%	0.52%
Pak Oman Investment Company Limited	A1+, VIS	February 6, 2025	13.00%	479,665	5,955	9,263	464,447	6.54%	0.09%
Zarai Taraqiat Bank Limited	A1+, PACRA	January 6, 2025	13.25%	316,500	562	6,074	309,864	4.36%	0.06%
Total as at December 31, 2024 (un-audited)				1,679,191	26,637	67,017	1,585,537	22.32%	0.68%
Total as at June 30, 2024 (audited)				-	-	-	-	-	-

5.6 Unrealised appreciation / (diminution) / on re-measurement of investments classified as 'at fair value through profit or loss' - net	Note	(Un-audited)	(Audited)
		December 31, 2024	June 30, 2024
----- Rupees in '000 -----			
Market value of investments	5.1, 5.2, 5.3, 5.4	7,104,669	4,689,467
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4	(6,021,009)	(4,695,367)
		<u>1,083,660</u>	<u>(5,900)</u>

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

At the beginning of the period / year		173	329
Less: amortisation during the period / year	6.1	<u>78</u>	<u>(156)</u>
At the end of the period / year		<u>95</u>	<u>173</u>

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

7 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	(Un-audited)	(Audited)
		December 31, 2024	June 30, 2024
----- Rupees in '000 -----			
Remuneration payable to the Management Company	7.1	5,325	6,336
Sindh sales tax on remuneration payable to the Management Company	7.2	799	824
Reimbursement of allocated expenses payable	7.3	5,389	2,512
Sindh sales tax payable on reimbursement of allocated expenses	7.5	808	-
Reimbursement of selling and marketing expenses payable	7.4	14,960	10,237
Sindh sales tax payable on reimbursement of selling and marketing expenses	7.5	2,244	-
Sales and transfer load payable		1,095	2,443
Sindh sales tax payable on sales load		167	309
ADC charges payable including Sindh sales tax		90	603
Other payable to the Management Company		153	153
		<u>31,030</u>	<u>23,417</u>

7.1 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 6% (June 30, 2024: 6%) of net income, subject to floor and capping of 0.5% and 1.25% (June 30, 2024: 0.5% and 1.25%) per annum of the average net assets of the Fund during the current period.

- 7.2** Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of Management Company has been enhanced from the rate of 13% to 15% (December 31, 2023: 13%) effective July 1, 2024 vide the Sindh Finance Act, 2024. Accordingly, an amount of Rs. 6.212 million (December 31, 2023: Rs. 3.913 million) was charged on account of sales tax on remuneration of the Management Company at the rate of 15% (December 31, 2023: 13%) during the period.
- 7.3** In accordance with Regulation 60 of the NBFC Regulations, an asset 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 charged allocated expenses under the following rates:

Rate applicable from November 25, 2024 to Dec 31, 2024	Rate applicable from July 01, 2024 to November 24, 2024	Rate applicable from June 24, 2023 to June 30, 2024	Rate applicable from July 01, 2023 to June 23, 2024
0.20% of average annual net assets	0.10% of average annual net assets	0.10% of average annual net assets	0.15% of average annual net assets

Rate applicable from December 09, 2024 to Dec 31, 2024	Rate applicable from November 25, 2024 to December 08, 2024	Rate applicable from July 1, 2024 to November 24, 2024	Rate applicable from July 1, 2023 to June 30, 2024
0.59% of average annual net assets	0.39% of average annual net assets	0.29% of average annual net assets	0.29% of average annual net assets

- 7.5** Effective July 1, 2024, the Sindh Finance Act of 2024 introduced a 15% sales tax on all reimbursable expenses for Management Companies. This resulted in Rs. 2.244 million in Sindh sales tax on reimbursed selling and marketing expenses, and Rs. 0.808 million in Sindh sales tax on reimbursed allocated expenses.

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE	------(Rupees in '000)-----	
	Trustee fee payable	8.1	634
	Sindh sales tax payable on Trustee fee	8.2	95
		<u>729</u>	<u>459</u>

- 8.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (June 30, 2024: 0.075%) per annum of net assets.

- 8.2** Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of the trustee has been enhanced from the rate of 13% to 15% (December 31, 2023: 13%) effective July 1, 2024 the vide Sindh Finance Act, 2024. Accordingly, an amount of Rs. 0.493 million (December 31, 2023: Rs. 0.246 million) was charged on account of sales tax on remuneration of the trustee at the rate of 15% (December 31, 2023: 13%) during the period.

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	------(Rupees in '000)-----	
	Fee payable	9.1	634
		<u>634</u>	<u>406</u>

- 9.1** 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) at the rate of 0.075% per annum of net assets, applicable on "Shariah Compliant Income scheme". Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum (December 31, 2023: 0.075%) of the daily net assets during the period. Further, the Fund is required to pay the SECP fee within fifteen days of the close of every calendar month.

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	------(Rupees in '000)-----	
10 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	254	420
Legal and professional charges payable	319	228
Shariah advisor fee payable	2,313	1,904
Withholding tax payable	1,145	82,270
Capital gain tax payable	9,062	30,205
Printing charges payable	157	205
Bank and settlement charges payable	40	96
Securities and transaction cost payable	108	-
Other payables	4,839	4,839
	18,237	120,167

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2024 and June 30, 2024.

12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2025 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

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

13 EARNINGS PER UNIT

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

14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.82% (December 31, 2023: 2.00%) which includes 0.30% (December 31, 2023: 0.24%) representing government levy, sales tax and annual fee to the SECP. The prescribed limit for the ratio is 2.5% (December 31, 2023: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a Shariah compliant income scheme.

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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.

Transactions with connected persons are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments 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.

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

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

Allocated expenses and selling and marketing expenses are reimbursed by the Fund to the Management Company subject to the maximum prescribed Total Expense Ratio.

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

	----- (Un-audited) ----- Half year ended	
	December 31, 2024	December 31, 2023
	----- Rupees in '000 -----	
NBP Fund Management Limited - the Management Company		
Remuneration of NBP Fund Management Limited - the Management Company	41,416	30,102
Sindh sales tax on remuneration of the Management Company	6,212	3,913
Reimbursement of Allocated expenses	5,389	3,789
Sindh sales tax on reimbursement of allocated expenses	808	-
Reimbursement of Selling and marketing expenses	14,960	7,326
Sindh sales tax on reimbursement of selling and marketing expenses	2,244	-
Amortisation of preliminary expenses and floatation costs paid by the Management Company	78	78
Sales load and Sindh sales tax on sales load	10,971	7,363
ADC charges paid including Sindh sales tax during the period	1,271	754
Units issued to unitholders on behalf of management company	2,953	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	3,285	1,895
Sindh sales tax on remuneration of the Trustee	493	246
Settlement charges	5	9
Employees of Management Company		
Units issued: 11,836,035 (December 31, 2023: 9,169,735)	126,341	98,673
Units redeemed: 10,281,853 (December 31, 2023: 6,090,848)	109,863	64,967
Dividend re invested: 5,010 (December 31, 2023: Nil)	55	-
Portfolio managed by the Management Company		
Units issued: 7,846,067 (December 31, 2023: 34,043,343)	84,694	374,624
Units redeemed: 15,247,055 (December 31, 2023: 27,217,664)	165,154	276,874
Dividend re invested: 16,945 (December 31, 2023: Nil)	187	-
National Bank of Pakistan - Parent of the Management Company		
Profit on bank balances	313	400
Pakistan Stock Exchange Limited - common directorship**		
Listing fee	15	-
K-Electric Limited - common directorship		
Purchase of sukuk certificates	-	150,000
Profit on sukuk certificates	6,029	19,609
Khalid Mehmood - Chief Financial Officer of Management Company		
Dividend re invested: 17 (December 31, 2023: Nil)*	-	-

15.2 Amounts / balances outstanding as at period / year end are as follows:

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	----- (Rupees in '000) -----	
NBP Fund Management Limited - the Management Company		
Remuneration payable to the Management Company	5,325	6,336
Sindh sales tax payable on remuneration of the Management Company	799	824
Reimbursement of allocated expenses payable	5,389	2,512
Sindh sales tax payable on reimbursement of allocated expenses	808	-
Reimbursement of selling and marketing expenses payable	14,960	10,237
marketing expenses	2,244	-
Sales and transfer load payable	1,095	2,443
Sindh sales tax on sales load payable	167	309
ADC charges payable including Sindh sales tax	90	603
Other payable to the Management Company	153	153
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable to the Trustee	634	406
Sindh sales tax payable on remuneration of the Trustee	95	53
Settlement charges payable	5	2
Security deposit	100	100
Employees of Management Company****		
Units held: 3,641,349 (June 30, 2024: 2,076,012)	40,126	21,014
Portfolio managed by the Management Company		
Units held in the Fund: 8,241,785 (June 30, 2024: 15,625,828)	90,821	158,172
National Bank of Pakistan - Parent of the Management Company		
Bank balances	2,306	3,149
Profit receivable on bank balances	130	-
K-Electric Limited - common directorship		
Corporate sukuk certificates held	33,714	499,649
Profit receivable on corporate sukuk certificates	838	48,361
Pakistan Stock Exchange Limited - common directorship**		
Prepaid Listing fee	16	-
Khalid Mehmood - Chief Financial Officer of Management Company		
Units held: 3,308 (June 30, 2024: 3,291)***	36	33

* Nil figures due to rounding off

** Prior period figure have not been presented as the person was not considered as related party / connected person as of December 31, 2024

*** Mr Khalid Mehmood has resigned as the CFO of NBP Fund Management Limited with effect from January 20, 2025.

**** This reflects the position of the related person / connected persons status as at December 31, 2024.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using 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).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Fund held the following financial instruments measured at fair value.

	----- (Unaudited) -----			
	----- As at December 31, 2024 -----			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	----- (Rupees in '000) -----			
GoP Ijarah sukuks	3,000,473	983,445	-	3,983,918
Corporate sukuk certificates	-	535,214	-	535,214
Term deposit receipts*	-	1,000,000	-	1,000,000
Certificates of musharakah	-	-	-	-
Bai muajjal receivable*	-	1,585,537	-	1,585,537
	3,000,473	4,104,196	-	7,104,669
	----- (Audited) -----			
	----- As at June 30, 2024 -----			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	----- (Rupees in '000) -----			
GoP Ijarah sukuks	1,115,158	2,475,867	-	3,591,025
Corporate sukuk certificates	-	853,442	-	853,442
Term deposit receipts	-	-	-	-
Certificates of musharakah	-	245,000	-	245,000
Bai muajjal receivable	-	-	-	-
	1,115,158	3,574,309	-	4,689,467

During the period ended December 31, 2024 and year ended June 30, 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

17 GENERAL

17.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 26, 2025 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpffunds.com

Website: www.nbpffunds.com

 /nbpffunds