



NBP FUNDS

Managing Your Savings

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Rated by PACRA

NBP INCOME OPPORTUNITY FUND



HALF YEARLY REPORT
DECEMBER 31, 2020



MISSION STATEMENT

**To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.**



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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
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
MCB Bank Limited
Summit Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited



Faysal Bank Limited
Silk Bank Limited
Soneri Bank Limited
The Bank of Punjab
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
Al Baraka Bank Limited
Dubai Islamic Bank Limited
Khushhali Bank Limited
Bankislami Pakistan Limited
NRSP Microfinance Bank Limited
First Microfinance Bank Limited
Mobilink Microfinance 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, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
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 Income Opportunity Fund (NIOF)** for the half year ended December 31, 2020.

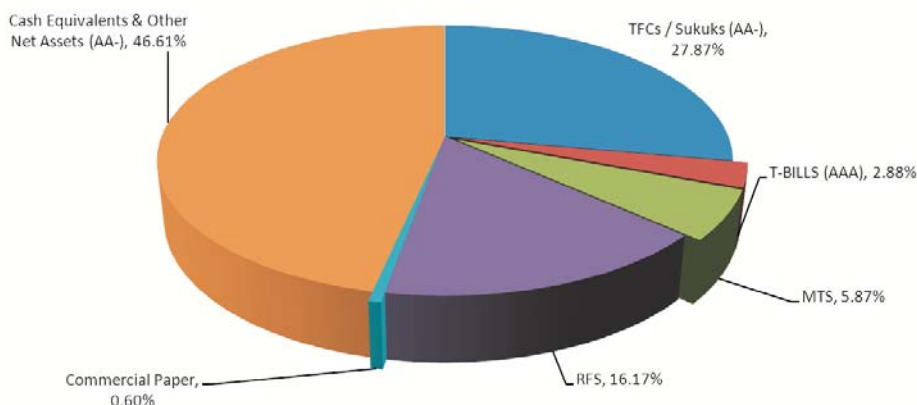
Fund's Performance

The size of NBP Income Opportunity Fund has increased from Rs. 4,000 million to Rs. 6,888 million during the period, a notable growth of 72%. During the period, the unit price of the Fund has increased from Rs. 10.7550 on June 30, 2020 to Rs. 11.2023 on December 31, 2020, thus showing a return of 8.3% p.a. as compared to the benchmark return of 7.2% p.a. i.e. outperformed the benchmark by 1.1% for the same period. The performance of the Fund is net of management fee and all other expenses.

NIOF is categorized as an Income Scheme and has been awarded stability rating of 'A(f)' by PACRA. The trading activity in corporate debt securities improved significantly with a cumulative traded value of around Rs. 14.7 billion versus Rs. 5.8 billion in the same period last year. During 1HFY21, the SBP held two Monetary Policy Committee (MPC) meetings wherein it left the Policy Rate unchanged at 7%, citing the prevailing accommodative monetary policy stance appropriate for the nascent economic recovery. Inflation as measured by the CPI clocked-in at 8% for December 2020, owing to supply side issues and rise in prices of perishable food items. During the period under review, T-Bills yields increased by 2 bps, 13 bps and 23 bps for 3-month, 6-month and 12-month tenures, respectively. This uptick in short-term sovereign yields is primarily reflective of demand versus supply side factors.

During the period, the SBP realized Rs. 5.1 trillion in thirteen T-Bills auctions. The market interest tilted towards shorter tenors given the market expectation of the bottoming out of the Policy Rate and the likelihood of reversal of monetary easing cycle in the coming months. In the last auction, cut-off yields on T-Bill for 3-month, 6-month and 12-month tenures were noted at 7.15%, 7.20% and 7.29%, respectively. In the six PIB auctions, the SBP realized an amount of Rs. 292 billion. In the last auction, cut-off yields for 3-year, 15-year and 20-year tenures were noted at 8.24%, 10.00% and 10.58%, respectively.

The Fund has earned a total income of Rs. 254.08 million during the period. After deducting total expenses of Rs. 53.29 million, the net income is Rs. 200.79 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIOF.



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

Director

Date: **February 26, 2021**
Place: Karachi.



ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والی پہلی ششماہی کے لئے NBP انکم اپرچونٹی فنڈ (NIOF) کے غیر جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

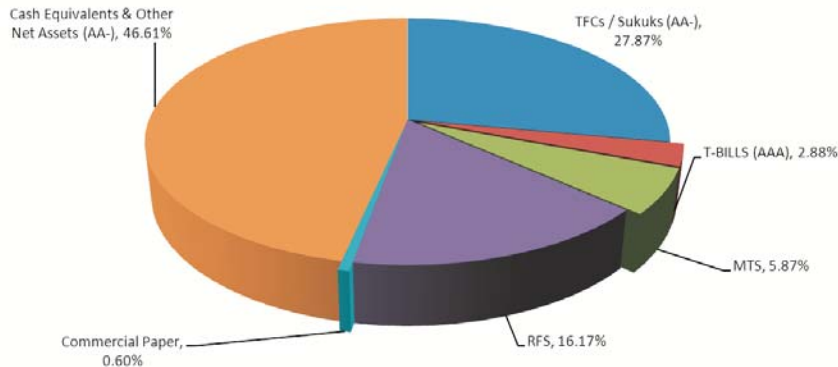
موجودہ مدت کے دوران NBP انکم اپرچونٹی فنڈ (NIOF) کا سائز 4,000 ملین روپے سے بڑھ کر 6,888 ملین روپے ہو گیا ہے یعنی 72% کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2020 کو 10.7550 روپے سے بڑھ کر 31 دسمبر 2020 کو 11.2023 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اسپنچ مارک 7.2% کے مقابلے میں 8.3% کا منافع درج کیا یعنی اسی مدت کے لئے اسپنچ مارک سے 1.1 فیصد کی بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NIOF کی انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔ زیر جائزہ مدت کے دوران کارپوریٹ ڈیٹ سیکورٹیز میں تجارتی سرگرمی بھی بہتر رہی جس کے تحت مالیاتی سال 2020ء کی پہلی ششماہی میں 5.8 ملین روپے کے مقابلہ میں مالی سال 2021 کی پہلی ششماہی کے دوران 14.7 بلین روپے رہی۔ کارپوریٹ ڈیٹ سیکورٹیز میں تجارتی سرگرمی نمایاں طور پر بہتر ہوئی جس کی مجموعی تجارتی قدر گزشتہ سال کی اس مدت میں 5.8 بلین روپے کے برعکس مالیاتی سال 2021ء کی پہلی ششماہی 14.7 بلین روپے رہی۔ سال 2021 کی پہلی ششماہی میں اسٹیٹ بینک آف پاکستان نے مانیٹری پالیسی کمیٹی (MPC) کے دو اجلاس طلب کئے جس میں موجودہ معاشی بحالی کے لئے موزوں مانیٹری پالیسی کا حوالہ دیتے ہوئے، پالیسی کی شرح 7% کو تبدیل نہیں کیا۔ ایشیائے خوردنوٹس کی قیمتوں میں اضافے اور رسد کی فراہمی جیسے مسائل کے باعث CPI افراط زر کی شرح دسمبر 2020 میں 8 فیصد رہی۔ زیر جائزہ مدت کے دوران، T-Bills کے منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کے عرصہ میں بالترتیب 2bps، 13bps، اور 23bps کا اضافہ ہوا۔ قلیل مدتی گورنمنٹ منافع میں یہ اضافہ بنیادی طور پر طلب کے مقابلے رسد کی عکاسی کرتا ہے۔

اسٹیٹ بینک آف پاکستان نے اس عرصے کے دوران تیرہ T-Bills کی نیلامی کی، جس میں مجموعی طور پر 5.1 ٹریلین روپے حاصل کئے۔ پالیسی کی شرح کا کم ترین سطح پر پہنچنے کی توقع اور آئندہ مہینوں میں مانیٹری آسانی کے باعث واپسی کے امکان کی وجہ سے مارکیٹ کی دلچسپی مختصر مدت کی سرمایہ کاری کی طرف مائل ہوئی۔ گزشتہ نیلامی میں، T-Bills کی کٹ آف منافع 3 ماہ، 6 ماہ اور 12 ماہ کی مدت کے لئے بالترتیب 7.15 فیصد، 7.20 فیصد اور 7.29 فیصد رہا۔ چھ PIB نیلامیوں میں، اسٹیٹ بینک کو مجموعی 292 بلین روپے کی رقم حاصل ہوئی۔ گزشتہ نیلامی میں، 3 سال، 15 سال اور 20 سال مدت کی کٹ آف منافع بالترتیب 8.24 فیصد، 10.00 فیصد اور 10.58 فیصد درج کیا گیا۔

فنڈ نے موجودہ مدت کے دوران 254.08 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 53.29 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 200.79 ملین روپے ہے۔

درج ذیل چارٹ 31 دسمبر 2020ء کو NIOF کی ایسٹ ایلوکیشن 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 مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے ٹھٹھس 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 فونڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 فروری 2021ء

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 Income Opportunity 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, 2020 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; and
- (iii) 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 26, 2021



INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Income Opportunity Fund** (the Fund) as at December 31, 2020 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, 2020. 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 quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

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.

Other Matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2019 and the financial statements for the year ended June 30, 2020 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 29, 2020 and September 30, 2020 respectively.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 26, 2021

Karachi



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	-----Rupees in '000-----	
ASSETS			
Bank balances	4	3,329,703	1,151,141
Investments	5	3,273,269	2,837,941
Receivable against margin trading system		402,024	65,692
Mark-up accrued and dividend receivable		42,679	62,815
Receivable against issuance of units		3,166	16,636
Deposits and other receivables		182,416	11,374
Total assets		7,233,257	4,145,599
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	6	59,018	53,997
Payable to Central Depository Company of Pakistan Limited - Trustee		456	288
Payable to the Securities and Exchange Commission of Pakistan	7	498	964
Payable against purchase of investments		232,821	-
Payable against redemption of units		644	1,222
Accrued expenses and other liabilities	8	51,354	88,711
Total liabilities		344,791	145,182
NET ASSETS		6,888,466	4,000,417
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		6,888,466	4,000,417
Contingencies and commitments	9	-----Number of units-----	
Number of units in issue		614,914,797	371,960,210
		-----Rupees-----	
Net asset value per unit	10	11.2023	10.7550

The annexed notes from 1 to 19 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, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Note -----Rupees in '000-----				
INCOME				
Profit on bank deposits and term deposits	85,048	189,702	45,944	85,085
Income on term finance certificates and sukuk certificates	89,441	154,873	44,000	83,058
Income on government securities	21,764	9,717	10,686	9,649
Income on commercial papers	2,926	25,871	920	10,930
Income from margin trading system	7,910	979	5,016	979
Income on spread transactions	18,916	2,591	10,925	2,591
Dividend income	13,150	951	10,371	951
(Loss) / gain on sale of investments	(10,936)	(223)	5	(226)
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss' - net	25,869	(28,185)	10,815	(21,345)
	14,933	(28,408)	10,820	(21,571)
Total income	254,088	356,276	138,682	171,672
EXPENSES				
Remuneration of NBP Fund Management Limited - Management Company	14,868	21,734	8,212	10,823
Sindh Sales Tax on remuneration of the Management Company	1,933	2,825	1,068	1,407
Allocated expense	2,755	2,648	1,680	1,293
Selling and marketing expenses	17,429	18,061	9,905	9,053
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,867	1,986	1,061	970
Sindh Sales Tax on remuneration of the Trustee	243	258	138	126
Annual fee to the Securities and Exchange Commission of Pakistan	498	530	283	259
Securities transaction cost	7,278	545	5,117	545
Settlement and bank charges	1,394	834	869	503
Auditors' remuneration	429	391	317	229
Legal and professional charges	148	-	120	-
Printing charges	84	-	79	-
Fund rating fee	253	229	127	114
Annual listing fee	14	14	7	7
Total expenses	49,193	50,055	28,983	25,329
Net income from operating activities	204,895	306,221	109,699	146,343
Provision for Sindh Workers' Welfare Fund	(4,098)	(6,124)	(2,194)	(2,926)
Net income for the period before taxation	200,797	300,097	107,505	143,417
Taxation	-	-	-	-
Net income for the period after taxation	200,797	300,097	107,505	143,417
Allocation of net income for the period				
Net income for the period after taxation	200,797	300,097	107,505	143,417
Income already paid on units redeemed	(14,086)	(35,825)	(10,536)	(25,019)
	186,711	264,272	96,969	118,398
Accounting income available for distribution:				
- Relating to capital gains	14,933	-	10,820	-
- Excluding capital gains	171,778	264,272	86,149	118,398
	186,711	264,272	96,969	118,398

The annexed notes from 1 to 19 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, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	-----Rupees in '000-----			
Net income for the period after taxation	200,797	300,097	107,505	143,417
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>200,797</u>	<u>300,097</u>	<u>107,505</u>	<u>143,417</u>

The annexed notes from 1 to 19 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, 2020

	Half year ended	
	December 31, 2020	December 31, 2019
Note	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	200,797	300,097
Adjustments:		
Profit on bank deposits and term deposits	(85,048)	(189,702)
Income on term finance certificates and sukuk certificates	(89,441)	(154,873)
Income on government securities	(21,764)	(9,717)
Income on commercial papers	(2,926)	(25,871)
Income from margin trading system	(7,910)	(979)
Income on spread transactions	(18,916)	(2,591)
Dividend income	(13,150)	(951)
Unrealised (appreciation) / diminution on re-measurement of investments at 'fair value through profit or loss' - net	5.11 (25,869)	28,185
Provision for Sindh Workers' Welfare Fund	8.1 4,098	6,124
	<u>(260,926)</u>	<u>(350,375)</u>
	(60,129)	(50,278)
(Increase) / decrease in assets		
Investments - net	(76,827)	11,570
Receivable against margin trading system	(336,332)	(14,210)
Deposits and other receivables	(171,042)	4,456
	(584,201)	1,816
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	5,021	(8,174)
Payable to Central Depository Company of Pakistan Limited - Trustee	168	(151)
Payable to the Securities and Exchange Commission of Pakistan	(466)	(3,777)
Accrued expenses and other liabilities	(41,455)	(26,360)
	(36,732)	(38,462)
Mark-up received on bank deposits, term finance certificates, commercial papers term deposit receipts and sukuk certificates	259,291	342,207
Net cash (used in) / generated from operating activities	<u>(421,771)</u>	<u>255,283</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units	4,371,526	1,885,660
Amounts paid on redemption of units	(1,671,382)	(2,318,454)
Net cash generated from / (used in) financing activities	<u>2,700,144</u>	<u>(432,794)</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>2,278,373</u>	<u>(177,511)</u>
Cash and cash equivalents at the beginning of the period	1,249,797	2,418,997
Cash and cash equivalents at the end of the period	11 <u><u>3,528,170</u></u>	<u><u>2,241,486</u></u>

The annexed notes from 1 to 19 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 ENDED DECEMBER 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Income Opportunity Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on February 11, 2006 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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

The Fund has been categorised as an open ended 'Income Scheme' 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 21, 2006 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing in money market and debt securities having good credit rating and liquidity. Other avenues of investments include ready future arbitrage in listed securities and transactions under margin trading system.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (2019: AM1 on December 24, 2019) on December 31, 2020. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at "A(f)" (2019: "A(f)" on April 17, 2020) dated October 16, 2020.

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.

1.1 Impact of COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced



operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the half year ended December 31, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

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 Regulation, 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 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.

2.2 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, 2020.

2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENTS AND CHANGES THEREIN



- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 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 management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the audited annual financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2020.

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, 2020. However, these do not have any significant impact on the Fund's operations 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 standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2021. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
-----Rupees in '000-----			
4 BANK BALANCES			
Current accounts	4.1	7,382	7,396
Savings accounts	4.2	3,322,321	1,143,745
		3,329,703	1,151,141

4.1 This includes a balance of Rs. 0.07 million (June 30, 2020: Rs. 0.07 million), maintained with National Bank of Pakistan (related party).

4.2 These include balances of Rs 18.74 million (June 30, 2020: Rs 1.19 million) , Rs 7.67 million (June 30, 2020: Rs. 8.94 million) and Rs 373,725 million (June 30, 2020: Nil) maintained with BankIslami Pakistan Limited, National Bank of Pakistan and Khushali Bank Limited (related parties) respectively, that carry profit at the rate of 7.00% (June 30, 2020: 6.75%) and 4.50% (June 30, 2020: 7.25% and 5.50%) and 9.8% (June 30, 2020: Nil) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 5.50% to 10.75% (June 30, 2020: 5.50% to 15.50%) per annum.



Name of the Investee Company	Number of shares				Market value as at December 31, 2020	Percentage in relation to		
	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020		Net assets of the Fund	Total market value of the investment	Paid-up capital of the investee company
(Rupees in '000) ----- % -----								
AUTOMOBILE ASSEMBLER								
Pak Suzuki Motor Company Limited	-	102,000	102,000	-	-	-	-	-
The General Tyre and Rubber Company of Pakistan Limited	-	24,000	24,000	-	-	-	-	-
Ghandhara Industries Limited	-	544,500	532,000	12,500	4,080	0.06%	0.12%	0.03%
Ghandhara Nissan Limited	-	353,000	342,500	10,500	1,305	0.02%	0.04%	0.02%
					5,385	0.08%	0.16%	0.05%
CEMENT								
D.G. Khan Cement Company Limited	-	2,852,500	1,755,500	1,097,000	125,694	1.82%	3.84%	0.25%
Fauji Cement Company Limited	-	3,179,000	2,501,000	678,000	14,692	0.21%	0.45%	0.05%
Maple Leaf Cement Factory Limited	-	6,924,000	4,237,500	2,686,500	120,919	1.76%	3.69%	0.24%
Lucky Cement Limited*	-	267,500	261,000	6,500	4,525	0.07%	0.14%	-
Pioneer Cement Limited*	-	640,500	639,000	1,500	155	-	-	-
Kohat Cement Company Limited	-	1,000	1,000	-	-	-	-	-
Power Cement Limited*	-	6,663,000	6,637,000	26,000	257	-	0.01%	-
					266,242	3.86%	8.13%	0.54%
COMMERCIAL BANKS								
Habib Bank Limited	-	1,160,500	808,500	352,000	46,563	0.68%	1.42%	0.02%
The Bank of Punjab	-	2,003,000	411,000	1,592,000	14,758	0.21%	0.45%	0.06%
Askari Bank Limited	-	333,500	-	333,500	7,801	0.11%	0.24%	0.03%
Bank Alfalah Limited	-	212,500	194,500	18,000	636	0.01%	0.02%	-
Bank Al Habib Limited	-	82,500	50,000	32,500	2,262	0.03%	0.07%	-
MCB Bank Limited *	-	19,000	4,500	14,500	2,687	0.04%	0.08%	-
Meezan Bank Limited	-	103,000	2,500	100,500	10,496	0.15%	0.32%	0.01%
United Bank Limited	-	233,000	147,000	86,000	10,824	0.16%	0.33%	0.01%
					96,027	1.39%	2.93%	
FERTILIZER								
Engro Fertilizers Limited	-	806,500	715,000	91,500	5,786	0.08%	0.18%	0.01%
Engro Corporation Limited *	-	216,500	212,500	4,000	1,229	0.02%	0.04%	-
Fauji Fertilizer Bin Qasim Limited	-	2,070,000	2,070,000	-	-	-	-	-
					7,015	0.10%	0.22%	
POWER GENERATION AND DISTRIBUTION								
K-Electric Limited	-	10,000	10,000	-	-	-	-	-
Kot Addu Power Company Limited	-	439,500	439,500	-	-	-	-	-
					-	-	-	-
OIL AND GAS EXPLORATION COMPANIES								
Oil and Gas Development Company Limited	-	2,836,000	2,500,500	335,500	34,815	0.51%	1.06%	0.01%
Pakistan Petroleum Limited	-	1,212,500	925,500	287,000	25,925	0.38%	0.79%	0.01%
Pakistan Oilfields Limited	-	73,000	73,000	-	-	-	-	-
					60,740	0.89%	1.85%	
OIL AND GAS MARKETING COMPANIES								
Pakistan State Oil Company Limited	-	521,500	339,500	182,000	39,185	0.57%	1.20%	0.04%
Sui Southern Gas Company Limited *	-	143,500	141,000	2,500	36	-	-	-
Hascol Petroleum Limited	-	16,956,000	15,391,500	1,564,500	22,983	0.33%	0.70%	0.16%
Sui Northern Gas Pipelines Limited	-	3,991,500	2,725,000	1,266,500	56,258	0.82%	1.72%	0.20%
					118,462	1.72%	3.62%	



Name of the Investee Company	Number of shares				Market value as at December 31, 2020	Percentage in relation to		
	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020		Net assets of the Fund	Total market value of the investment	Paid-up capital of the investee company
(Rupees in '000) ----- % -----								
FOOD AND PERSONAL CARE PRODUCTS								
Treet Corporation Limited *	-	307,000	306,000	1,000	31	-	-	-
Unity Food Limited	-	12,557,000	12,484,000	73,000	2,340	0.03%	0.07%	0.01%
					2,371	0.03%	0.07%	
REFINERY								
Attock Refinery Limited	-	1,516,000	1,498,000	18,000	3,277	0.05%	0.10%	0.02%
National Refinery Limited	-	420,000	392,500	27,500	9,621	0.14%	0.29%	0.03%
Pakistan Refinery Limited	-	4,256,000	4,003,500	252,500	6,007	0.09%	0.18%	0.04%
					18,905	0.28%	0.57%	
CABLE AND ELECTRICAL GOODS								
Pak Elektron Limited	-	7,921,000	4,268,500	3,652,500	146,575	2.13%	4.48%	0.73%
					146,575	2.13%	4.48%	0.73%
PHARMACEUTICALS								
The Searle Company Limited *	-	1,034,500	1,031,000	3,500	872	0.01%	0.03%	-
Ferozsons Laboratories Limited	-	30,000	30,000	-	-	-	-	-
					872	0.01%	0.03%	
ENGINEERING								
International Industries Limited	-	95,000	67,500	27,500	4,857	0.07%	0.15%	0.02%
					4,857	0.07%	0.15%	
TEXTILE COMPOSITE								
Nishat Mills Limited	-	1,601,500	760,000	841,500	85,638	1.24%	2.62%	0.24%
Nishat Chunian Limited	-	581,000	259,500	321,500	13,532	0.20%	0.41%	0.13%
					99,170	1.44%	3.03%	
TECHNOLOGY AND COMMUNICATION								
Avanceon Limited	-	887,500	763,500	124,000	11,513	0.17%	0.35%	0.06%
Netsol Technologies Limited	-	564,500	564,500	-	-	-	-	-
Systems Limited	-	1,000	1,000	-	-	-	-	-
TRG Pakistan Limited	-	4,390,000	4,205,000	185,000	16,911	0.25%	0.52%	0.03%
					28,424	0.42%	0.87%	
GLASS & CERAMICS								
Tariq Glass Industries Limited	-	16,500	5,000	11,500	1,009	0.01%	0.03%	0.01%
					1,009	0.01%	0.03%	
TRANSPORT								
Pakistan International Bulk Terminal Limited	-	21,740,000	13,646,500	8,093,500	104,082	1.51%	3.18%	0.45%
					104,082	1.51%	3.18%	
ENGINEERING								
Mughal Iron and Steel industries Limited	-	455,000	128,500	326,500	24,726	0.36%	0.76%	0.13%
Amreli Steels Limited	-	2,831,000	1,784,500	1,046,500	50,504	0.73%	1.54%	0.35%
					75,230	1.09%	2.30%	
CHEMICAL								
Engro Polymer & Chemicals Limited	-	1,856,000	869,500	986,500	46,869	0.68%	1.43%	0.11%
Lotte Chemical Pakistan Limited	-	2,223,500	1,128,000	1,095,500	16,498	0.24%	0.50%	0.12%
Desccon Oxychem Limited	-	502,500	27,000	475,500	17,213	0.25%	0.53%	0.27%
					80,580	1.17%	2.46%	



Name of the Investee Company	Number of shares				Market value as at December 31, 2020	Percentage in relation to		
	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020		Net assets of the Fund	Total market value of the investment	Paid-up capital of the investee company
(Rupees in '000)						----- % -----		
INSURANCE								
Adamjee Insurance Company Limited	-	5,000	-	5,000	197	-	0.01%	-
					197	-	0.01%	
PAPER & BOARD								
Century Paper and Board Mills Limited	-	67,500	9,500	58,000	7,259	0.11%	0.22%	0.03%
					7,259	0.11%	0.22%	
Total					<u>1,123,402</u>	<u>16.31%</u>	<u>34.31%</u>	
Carrying value as at December 31, 2020					<u>1,112,797</u>			
Market value as at June 30, 2020					<u>-</u>			
Carrying value as at June 30, 2020					<u>-</u>			

* Nil figures due to rounding off

5.2.1 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchased equity securities in ready settlement market and sold them in future settlement market earning income on spread transactions due to difference in ready and future stock prices.

5.3 Government securities - Market Treasury Bills

Issue date	Tenor in months	Face value				Market value as at December 31, 2020	Percentage in relation to	
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020		Net assets of the Fund	Total market value of the investment
----- Rupees in '000 -----						----- % -----		
July 16, 2020	3	-	75,000	75,000	-	-	-	-
July 16, 2020	6	-	75,000	75,000	-	-	-	-
June 18, 2020	3	100,000	-	100,000	-	-	-	-
September 24, 2020	3	-	100,000	100,000	-	-	-	-
October 22, 2020	3	-	500,000	500,000	-	-	-	-
August 13, 2020	3	-	700,000	700,000	-	-	-	-
May 7, 2020	6	100,000	50,000	150,000	-	-	-	-
November 5, 2020	3	-	250,000	250,000	-	-	-	-
November 19, 2020	3	-	250,000	50,000	200,000	198,467	2.88%	6.06%
Total						<u>198,467</u>	<u>2.88%</u>	<u>6.06%</u>
Carrying value as at December 31, 2020						<u>198,460</u>		
Market value as at June 30, 2020						<u>196,282</u>		
Carrying value as at June 30, 2020						<u>195,903</u>		

5.3.1 Market treasury bills with a market value of Rs 198.467 million (June 30, 2020: Rs. 196.282 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.



5.3.2 This carries yield at the rate of 7.05% per annum and is due to mature on February 11, 2021.

5.4 Government securities - Pakistan Investment Bonds

Issue date	Tenor	Face value				Market value as at December 31, 2020	Investment as a percentage of	
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020		Net assets	Market value of total investments
		----- Rupees in '000 -----				----- % -----		
September 19, 2019	3 years	100,000	-	100,000	-	-	-	-
September 19, 2019	5 years	325,000	-	325,000	-	-	-	-
Total						-	-	-
Carrying value as at December 31, 2020						-		
Market value as at June 30, 2020						445,263		
Carrying value as at June 30, 2020						416,357		

5.5 Term finance certificates - non-performing securities

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions during the period	As at December 31, 2020	Market value as at December 31, 2020	Percentage in relation to	
										Net assets of the Fund	Total market value of the investment
----- Number of certificates -----									(Rupees in '000)	----- % -----	
CEMENT											
Dewan Cement Limited (Face value of Rs. 5,000 per certificate)	Unrated	-	January 17, 2022	6 months KIBOR plus base rate of 2%	30,000	-	-	30,000	-	-	-
CHEMICAL											
Agritech Limited V (Face value of Rs. 5,000 per certificate)	Unrated	-	January 1, 2025	11% fixed rate	6,464	-	-	6,464	-	-	-
Agritech Limited I (Face value of Rs. 4,995 per certificate)	CCC, PACRA	-	November 29, 2025	6 months KIBOR plus base rate of 1.75%	30,000	-	-	30,000	-	-	-
LEASING COMPANIES											
Saudi Pak Leasing Company Limited - II (Face value of Rs. 2,755 per certificate)	Unrated	-	March 13, 2013	6.87%	15,000	-	-	15,000	-	-	-
TECHNOLOGY & COMMUNICATION											
Worldcall Telecom Limited - III (Face value of Rs. 1,666 per certificate)	D, PACRA	Quarterly	October 7, 2013	6 months KIBOR plus base rate of 1.6%	45,000	-	-	45,000	-	-	-



Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions during the period	As at December 31, 2020	Market value as at December 31, 2020	Percentage in relation to	
										Net assets of the Fund	Total market value of the investment
----- Number of certificates -----									(Rupees in '000)	----- % -----	

TEXTILE COMPOSITE

Azgard Nine Limited III (Face value of Rs. 2,168 per certificate)	CCC, PACRA	-	December 4, 2025	6 months KIBOR plus base rate of 2.25%	50,000	-	-	50,000	-	-	-
Azgard Nine Limited V (PPTFC) (Face value of Rs. 5,000 per certificate)	Unrated	-	March 31, 2021	Zero - coupon bond	16,436	-	-	16,436	-	-	-

MISCELLANEOUS

PACE Pakistan Limited (Face value of Rs. 4,994 per certificate)	Unrated	-	February 15, 2017	6 months KIBOR plus base rate of 2.00%	30,000	-	-	30,000	-	-	-
New Allied Electronic Industries (Private) Limited (Face value of Rs. 2,114 per certificate)	Unrated	-	November 15, 2022	3 months KIBOR plus base rate of 3%	15,000	-	-	15,000	-	-	-

Total

Carrying value as at December 31, 2020

Market value as at June 30, 2020

Carrying value as at June 30, 2020

- 5.5.1** The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly had been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 820.56 million against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.6 Term finance certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions during the period	As at December 31, 2020	Market value as at December 31, 2020	Percentage in relation to	
										Net assets of the Fund	Total market value of the investment
----- Number of certificates -----									(Rupees in '000)	----- % -----	

COMMERCIAL BANKS

JS Bank Limited (Face value of Rs. 4,992 per certificate)	A+, PACRA	Semi-Annually	December 14, 2023	6 months KIBOR plus base rate of 1.4%	60,000	-	-	60,000	296,931	4.31%	9.07%
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Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions during the period	As at December 31, 2020	Market value as at December 31, 2020	Percentage in relation to	
										Net assets of the Fund	Total market value of the investment
----- Number of certificates-----									(Rupees in '000)	----- % -----	
Silk Bank Limited (Face value of Rs. 4,997 per certificate)	BBB+, VIS	Semi-Annually	August 10, 2025	6 months KIBOR plus base rate of 1.85%	20,000	-	-	20,000	85,465	1.24%	2.61%
JS Bank Limited - (2nd Issue) (Face value of Rs. 99,880 per certificate)	A+, PACRA	Semi-Annually	December 29, 2024	6 months KIBOR plus base rate of 1.4%	1,000	-	-	1,000	94,328	1.37%	2.88%
The Bank of Punjab - (2nd Issue) (Face value of Rs. 99,900 per certificate)	AA-, PACRA	Semi-Annually	April 23, 2028	6 months KIBOR plus base rate of 1.25%	1,500	-	-	1,500	146,978	2.13%	4.49%
INVESTMENT COMPANIES											
Jahangir Siddiqui and Company Limited - (4th Issue) (Face value of Rs. 625 per certificate)	AA+, PACRA	Semi-Annually	June 24, 2021	6 months KIBOR plus base rate of 1.65%	20,000	-	-	20,000	12,405	0.18%	0.38%
Jahangir Siddiqui and Company Limited - (5th issue) (Face value of Rs. 2,500 per certificate)	AA+, PACRA	Semi-Annually	July 18, 2022	6 months KIBOR plus base rate of 1.4%	23,340	-	-	23,340	58,387	0.85%	1.78%
Jahangir Siddiqui and Company Limited - (6th Issue) (Face value of Rs. 4,167 per certificate)	AA+, PACRA	Semi-Annually	March 6, 2023	6 months KIBOR plus base rate of 1.4%	30,000	-	-	30,000	123,656	1.80%	3.78%
MISCELLANEOUS											
Kashf Foundation - PPTFC (Face value of Rs. 916,667 per certificate)	A, PACRA	Quarterly	September 30, 2023	3 months KIBOR plus base rate of 2.25%	20	-	-	20	18,220	0.26%	0.56%
Total									836,370	12.14%	25.55%
Carrying value as at December 31, 2020									814,563		
Market value as at June 30, 2020									868,428		
Carrying value as at June 30, 2020									902,754		

5.7 Corporate sukuk certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions during the period	As at December 31, 2020	Market value as at December 31, 2020	Percentage in relation to	
										Net assets of the Fund	Total market value of the investment
----- Number of certificates-----									(Rupees in '000)	----- % -----	
INVESTMENT COMPANIES											
Dawood Hercules Corporation Limited (Face value of Rs. 60,000 per certificate)	AA, PACRA	Quarterly	November 16, 2022	3 months KIBOR plus base rate of 1.0%	2,555	-	-	2,555	154,980	2.25%	4.73%
CEMENT											
Javedan Corporation Limited (Face value of Rs. 100,000 per certificate)	AA-, VIS	Semi-Annually	October 4, 2026	6 months KIBOR plus base rate of 1.75%	1,000	-	-	1,000	97,519	1.42%	2.98%



Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions during the period	As at December 31, 2020	Market value as at December 31, 2020	Percentage in relation to	
										Net assets of the Fund	Total market value of the investment
									(Rupees in '000)	%	

POWER GENERATION & DISTRIBUTION

K-Electric Limited - Sukuk - V (Face value of Rs. 5,000 per certificate)	AA+, VIS	Quarterly	August 3, 2027	3 months KIBOR plus base rate of 1.7%	80,000	-	-	80,000	406,077	5.90%	12.41%
The Hub Power Company Limited (3rd Issue) (related party) (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Quarterly	August 22, 2023	3 months KIBOR plus base rate of 1.9%	1,000	-	-	1,000	102,249	1.48%	3.12%

TEXTILE COMPOSITE

Masood Textile Mills Limited (Face value of Rs. 5,000 per certificate)	A, VIS	Quarterly	December 17, 2024	3 months KIBOR plus base rate of 2.0%	1,000	-	-	1,000	96,500	1.40%	2.95%
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MISCELLANEOUS

Hub Power Holding Limited (related party) (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Semi-Annually	November 12, 2025	6 months KIBOR plus base rate of 2.5%	-	2,000	-	2,000	167,482	2.43%	5.12%
Shakarganj Food Products Limited (Face value of Rs. 850,000 per certificate)	BBB+, VIS	Quarterly	July 10, 2024	3 months KIBOR plus base rate of 1.75%	70	-	-	70	58,517	0.85%	1.79%
New Allied Electronic Industries (Private) Limited II - Sukuk (Note 5.6.1) (Face value of Rs. 4,905 per certificate)	Unrated	-	December 3, 2025	6 months KIBOR plus base rate of 2.2%	9,000	-	-	9,000	-	-	-
Eden Housing Limited 2nd (Issue) (Note 5.6.1) (Face value of Rs. 984 per certificate)	D, VIS	-	September 29, 2025	6 months KIBOR plus base rate of 2.5%	9,200	-	-	9,200	-	-	-

Total

	1,083,324	15.73%	33.10%
Carrying value as at December 31, 2020	1,080,505		
Market value as at June 30, 2020	938,553		
Carrying value as at June 30, 2020	933,558		

5.7.1 The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly has been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 53.22 million against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.



5.8 Commercial papers

Name of Investee Company	Rating	Face value				Market value as at December 31, 2020	Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2020	Purchased during the period	Disposed off / matured during the period	As at December 31, 2020			
(Rupees in '000) ----- % -----								
TECHNOLOGY AND COMMUNICATION								
TPL Trakker Limited	A-, PACRA	120,000	-	120,000	-	-	-	-
TPL Trakker Limited	A-, PACRA	-	116,276	116,276	-	-	-	-
TPL Trakker Limited	A-, PACRA	-	41,126	-	41,126	41,075	1.25%	0.60%
Total						<u>41,075</u>	<u>1.25%</u>	<u>0.60%</u>
Carrying value as at December 31, 2020						<u>41,075</u>		
Market value as at June 30, 2020						<u>119,415</u>		
Carrying value as at June 30, 2020						<u>119,415</u>		

5.8.1 This carries profit at the rate of 6.27% per annum and is due to mature on January 10, 2021.

5.9 Term deposit receipts

Name of Investee Company	Rating of Investee Company	Placement date	Profit rate	As at July 1, 2020	Amount placed during the period	Amount redeemed during the period	As at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of total investments	Market value as a percentage of net assets
(Rupees in '000) ----- % -----										
COMMERCIAL BANKS										
Mobilink Microfinance Bank Limited	A, PACRA	October 22, 2019	15.60%	270,000	-	270,000	-	-	-	-
Total								<u>-</u>	<u>-</u>	<u>-</u>
Carrying value as at December 31, 2020								<u>-</u>		
Market value as at June 30, 2020								<u>270,000</u>		
Carrying value as at June 30, 2020								<u>270,000</u>		

5.10 This represents unrealised loss amounting to Rs. 9.369 million (June 30, 2020: Nil) on mark to market of future stock contracts.

5.11 Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss' - net	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
-----Rupees in '000-----			
Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9 & 5.10	3,273,269	2,837,941
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9 & 5.10	(3,247,400)	(2,837,987)
		<u>25,869</u>	<u>(46)</u>



6	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	(Un-audited)	(Audited)
			December 31, 2020	June 30, 2020
			-----Rupees in '000-----	
	Remuneration of the Management Company	6.1	3,396	2,303
	Sindh Sales Tax on remuneration of the Management Company	6.2	441	299
	Allocated expenses payable	6.3	1,680	1,011
	Selling and marketing expenses payable	6.4	9,905	7,075
	Sales and transfer load payable		2,349	2,221
	Sindh Sales Tax on sales and transfer load		305	289
	Federal Excise Duty and related Sindh Sales Tax on management fee and sales load	6.5	40,799	40,799
	Other payable		143	-
			<u>59,018</u>	<u>53,997</u>

6.1 As per regulation 61 of the NBFC Regulations, 2008, 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, 2020: 6%) of net income, subject to floor and capping of 0.5% and 1% per annum of the average net assets of the Fund during the period ended December 31, 2020. The remuneration is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 1.933 million (2019: Rs. 2.825 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 @ 13% (2019: 13%).

6.3 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).

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%.

Accordingly, the Management Company based on its discretion has charged allocated expenses under the following rates:

Rate applicable from July 1, 2020 to October 26, 2020	Rate applicable from October 27, 2020 to December 31, 2020	Rate applicable from July 1, 2019 to June 30, 2020
0.1% of average annual net assets	0.125% of average annual net assets	0.1% of average annual net assets

6.4 The SECP has allowed the asset management companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019) subject to maximum cap of 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% had been removed and an asset management company was required to set a maximum limit for charging of such expenses to the Fund and the same has to be approved by the Board of Directors of the Management Company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its own discretion has charged selling and marketing expenses at the rate of 0.7% (June 30, 2020: 0.7%) of the average annual net assets of the Fund and the same has also been approved by the Board of Directors of the Management Company.



- 6.5** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (HSC) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 40.799 million (June 30, 2020: Rs 40.799 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re 0.0663 (June 30, 2020: Re 0.1097) per unit.

	(Un-audited)	(Audited)
	December	June 30,
	31, 2020	2020
7 PAYABLE TO THE SECURITIES AND EXCHANGE	Note	----- (Rupees in 000) -----
COMMISSION OF PAKISTAN		
Annual fee payable	7.1	<u>498</u> <u>964</u>

- 7.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

As per the guideline issued by the SECP vide its SRO No. 685(I)/2019 dated June 28, 2019, the Fund has charged the SECP fee at the rate of 0.02% (June 30, 2020: 0.02%) of average annual net assets of the fund.

	(Un-audited)	(Audited)
	December 31,	June 30,
	2020	2020
8 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	-----Rupees in '000-----
Auditors' remuneration payable		513 521
Provision for Sindh Workers' Welfare Fund	8.1	45,780 41,682
Brokerage fee payable		3,041 24
Settlement charges payable		329 263
Printing charges payable		30 43
Withholding tax payable		200 44,513
Capital gain tax payable		803 1,126
Legal and professional charges payable		396 355
Other payable		262 184
		<u>51,354</u> <u>88,711</u>

- 8.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is



not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014.

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period ended December 31, 2020, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re 0.0744 (June 30, 2020: 0.1121) per unit.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

10 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
11 CASH AND CASH EQUIVALENTS		-----Rupees in '000-----	
Bank balances	4	3,329,703	1,151,141
Government securities - Market Treasury Bills	5.3	198,467	98,656
		3,528,170	1,249,797

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 intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

The Fund is also exempt from the 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 2.12% (December 31, 2019: 2.12%) which includes 0.27% (December 31, 2019: 0.37%) representing Government Levy, Sindh Worker's



Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (December 31, 2019: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

15. DETAILS OF NON-COMPLIANT INVESTMENTS

The SECP vide Circular no. 7 of 2009 dated March 6, 2009, required all asset management companies to categorise funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non-compliant investments:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	% of net assets	% of gross assets
Azgard Nine Limited III	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	108,377	(108,377)	-	-	-
Azgard Nine Limited V	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	82,180	(82,180)	-	-	-
AgriTech Limited I	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	149,860	(149,860)	-	-	-
AgriTech Limited V	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	32,320	(32,320)	-	-	-
Dewan Cement Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	150,000	(150,000)	-	-	-
Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Sukuks	9,056	(9,056)	-	-	-
New Allied Electronics Industries (Private) Limited - PPTFC	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	31,707	(31,707)	-	-	-



Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	% of net assets	% of gross assets
New Allied Electronics Industries (Private) Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Sukuks	44,149	(44,149)	-	-	-
Pace Pakistan Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	149,820	(149,820)	-	-	-
Saudi Pak Leasing Company Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	41,321	(41,321)	-	-	-
Worldcall Telecom Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	74,977	(74,977)	-	-	-
Azgard Nine Limited (Non-voting)	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Shares	13	(13)	-	-	-
Total carrying value and accumulated impairment as at December 31, 2020			<u>873,780</u>	<u>(873,780)</u>	-		

15.1 At the time of purchase, these investments were in compliance with the aforementioned circular. However, they either subsequently defaulted or were downgraded to non investment grade.

16. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

16.1 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, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, 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.

16.2 Transactions with connected persons / related parties are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

16.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.



- 16.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 16.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 16.6 Details of transactions with connected persons and related parties are as follows:

	----- (Un-audited) -----	
	Half year ended	
	December 31, 2020	December 31, 2019
	----- Rupees in '000 -----	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	14,868	21,734
Sindh Sales Tax on remuneration of the Management Company	1,933	2,825
Allocated expenses	2,755	2,648
Selling and marketing expenses	17,429	18,061
Sales and transfer load	5,081	1,236
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,867	1,986
Sindh Sales Tax on remuneration of the Trustee	243	258
Settlement charges	242	416
National Clearing Company of Pakistan		
NCCPL Charges	186	126
Pakistan Stock Exchange		
Annual listing fee paid	25	25
Employees of the Management Company		
Units issued: 7,730,586 units (2019: 115,465 units)	85,688	1,259
Units redeemed: 6,041,206 units (2019: 1,500,222 units)	67,064	16,412
Humayun Bashir (Director)		
Units issued: Nil units (2019: 4,023,956 units)	-	45,566
Units redeemed: Nil units (2019: 3,042,969 units)	-	34,100
NBP Mahana Amdani Fund		
Sale of market treasury bills	149,740	-
NBP Money Market Fund		
Purchase of Market treasury bills	-	147,300
NBP Savings Fund		
Sale of commercial paper	-	23,182
The Hub Power Company Limited (Common directorship)		
Purchase of commercial paper	-	185,883
Purchase of sukuk certificates	-	200,000
Discount income on commercial paper	-	9,975
Income from sukuk certificates	4,714	16,794
Hub Power Holding Limited (Common directorship)		
Purchase of sukuk certificates	164,917	-



	----- (Un-audited) -----	
	Half year ended	
	December 31, 2020	December 31, 2019
	----- Rupees in '000 -----	
Fauji Fertilizer Company Limited (Common directorship)		
Purchase of sukuk certificates	-	101,386
Portfolio managed by the Management Company		
Units issued: 892,682 units (2019: 1,864,028 units)	10,000	20,100
Units redeemed: Nil units (2019: 7,009,047 units)	-	76,042
National Bank of Pakistan (Parent of the Management Company)		
Sale of Market treasury bills	-	312,863
Profit on bank deposit	34	254
BankIslami Pakistan Limited (Common directorship)		
Profit on bank deposit	13	667
Khushali Microfinance Bank Limited (Common directorship)*		
Profit on bank deposit	8,188	-
	(Un-audited)	(Audited)
	December 31,	June 30,
	2020	2020
	----- Rupees in '000 -----	
16.7 Amounts outstanding as at period / year end are as follows:		
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	3,396	2,303
Sindh Sales Tax on remuneration of the Management Company	441	299
Allocated expenses payable	1,680	1,011
Selling and marketing expenses payable	9,905	7,075
Sales and transfer load payable	2,349	2,221
Sindh Sales Tax on sales and transfer load	305	289
Federal Excise Duty and related Sindh Sales Tax on management fee and sales load	40,799	40,799
Other payable	143	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the trustee	403	254
Sindh Sales Tax on remuneration of the trustee	53	34
Settlement charges payable	95	113
Security deposit	100	100
National Clearing Company of Pakistan		
NCCPL deposit	2,750	2,750
NCCPL charges payable	169	143
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	7,743	8,943
Accrued mark-up on bank balance	13	13



	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	----- Rupees in '000 -----	
BankIslami Pakistan Limited (Common directorship)		
Bank balance	18,737	1,196
Accrued mark-up on bank balances	24	149
The Hub Power Company Limited (Common directorship)		
Investment in sukuk certificates	102,249	102,145
Accrued mark-up on sukuk certificates	1,007	-
Hub Power Holding Limited (Common directorship)		
Investment in sukuk certificates	167,461	-
NBP Employees Pension Fund - unit holder with more than 10% holding		
Units held in the Fund: 107,220,828 units (June 30, 2020: 107,220,828 units)	1,201,120	1,153,160
Portfolio managed by the Management Company		
Units held in the Fund: 892,682 units (June 30, 2020: Nil units)	10,000	-
Employees of the Management Company		
Units held in the Fund: 2,288,248 units (June 30, 2020: 599,936 units)	25,634	6,452
Khushali Microfinance Bank Limited (Common directorship)*		
Bank balance	373,725	-
Accrued mark-up on bank balance	1	-

* Prior period figure has not been presented as the person is not classified as a related party / connected person as at June 30, 2020 and December 31, 2019.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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



As at December 31, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value.

----- Un-audited -----				
----- As at December 31, 2020 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees in 000-----				
At fair value through profit or loss				
Equity securities (spread transactions)	1,123,402	-	-	1,123,402
Government securities - Market Treasury Bills	-	198,467	-	198,467
Government securities - Pakistan				
Investment Bonds	-	-	-	-
Term finance certificates	-	836,370	-	836,370
Corporate sukuk certificates	-	1,083,324	-	1,083,324
Commercial papers*	-	41,075	-	41,075
Future stock contracts	(9,369)	-	-	(9,369)
	<u>1,114,033</u>	<u>2,159,236</u>	<u>-</u>	<u>3,273,269</u>
----- Audited -----				
----- As at June 30, 2020 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees in 000-----				
At fair value through profit or loss				
Government securities - Market Treasury Bills	-	196,282	-	196,282
Government securities - Pakistan				
Investment Bonds	-	445,263	-	445,263
Term finance certificates	-	868,428	-	868,428
Corporate sukuk certificates	-	938,553	-	938,553
Commercial papers*	-	119,415	-	119,415
Term deposit receipts**	-	270,000	-	270,000
	<u>-</u>	<u>2,837,941</u>	<u>-</u>	<u>2,837,941</u>

* The valuation of commercial papers has been done based on amortisation to their fair value as per the guidelines given in Circular 33 of 2012 by the SECP as the residual maturity of these investments is less than six months and are placed with counterparties which have high credit rating.

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

18. GENERAL

18.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 26, 2021.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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