

## NBP ISLAMIC DAILY DIVIDEND 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	Member
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

Askari Bank Limited  
Bank Alhabib Limited  
United Bank Limited  
Meezan Bank Limited  
Habib Bank Limited  
Dubai Islamic Bank Limited  
Allied Bank Limited  
National Bank Of Pakistan  
JS Bank Limited  
Bank Islami (Pakistan) Limited



## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

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

## **Lahore Office:**

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

## **Islamabad Office:**

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

## **Peshawar Office:**

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

## **Multan Office:**

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



## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Islamic Daily Dividend Fund (NIDDF)** for the period ended December 31, 2020.

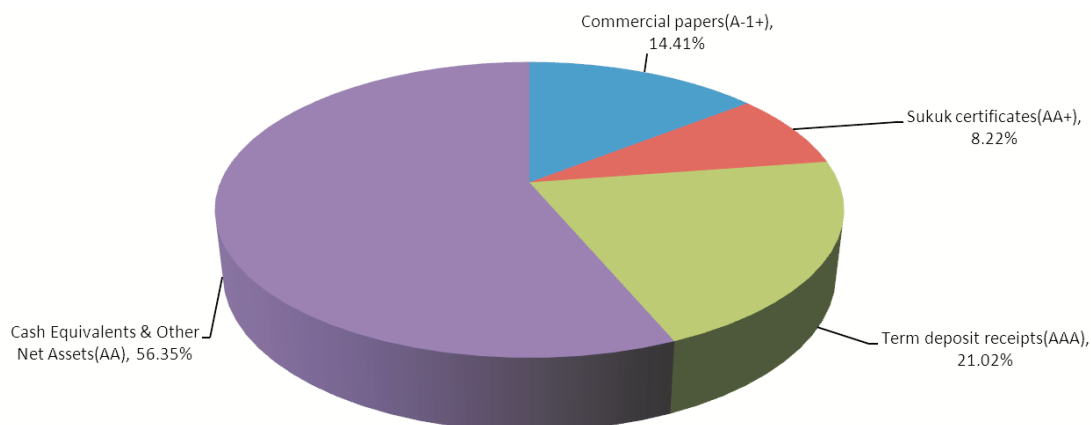
### Fund's Performance

The size of NBP Islamic Daily Dividend Fund has increased from Rs. 8,243 million to Rs. 14,223 million during the period, a significant growth of 73%. The unit price of the Fund has increased from Rs. 9.6871 (Ex-Div) on June 30, 2020 to Rs. 10.0000 on December 31, 2020; thus, posting a return of 6.4% p.a. as compared to its Benchmark return of 3.7% p.a. The performance of the Fund is net of management fee and other expenses.

NIDDF is categorized as a Shariah Compliant Money Market Fund. The fund aims to consistently provide better return than the profit rates offered by Islamic Banks / Islamic windows of commercial banks. Minimum eligible rating is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days, thereby providing easy liquidity along with a high-quality credit profile.

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.

The Fund has earned a total income of Rs. 430.596 million during the period. After deducting total expenses of Rs. 41.247 million, the net income is Rs. 389.349 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIDDF:



### Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 6.31% of the opening ex-NAV (6.31% of the par value) for the period ended December 31, 2020.



## **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 بصد مسرت 31 دسمبر 2020ء کو ختم ہونے والی پہلی ششماہی کے لئے NBP اسلامک ڈیلی ڈیویڈنڈ فنڈ (NIDDF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

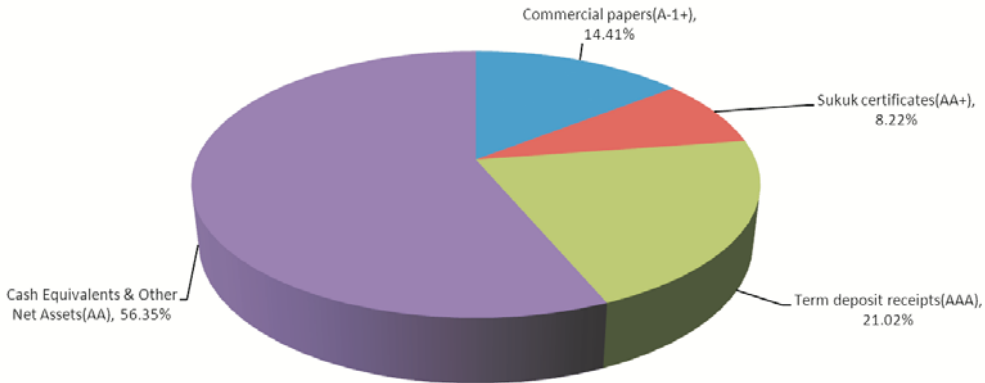
### فنڈ کی کارکردگی

NBP اسلامک ڈیلی ڈیویڈنڈ فنڈ کا سائز 8,243 ملین روپے سے بڑھ کر 31 دسمبر 2020ء کو 10,000 روپے ہو گیا۔ لہذا فنڈ نے اسی مدت میں بیچ مارک منافع 3.7% کے مقابلے 6.4% کا سالانہ منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NIDDF کی شریعہ کمپلیٹ منی مارکیٹ فنڈ کے طور پر درجہ بندی کی گئی ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی وٹڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تو اتر سے بہتر منافع فراہم کرنا ہے، کم از کم اہل ریٹنگ AA ہے، جب کہ فنڈ چھ ماہ سے زائد میچورٹی کی کسی سیکورٹی میں سرمایہ کاری کی اجازت نہیں دیتا ہے۔ فنڈ کی میچورٹی کی اوسط مدت 90 دنوں سے تجاوز نہیں کر سکتی، لہذا اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرتا ہے۔

مالی 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 خورد و نوش کی قیمتوں میں اضافے اور رسد کی فراہمی جیسے مسائل کے باعث CPI افراط زر کی شرح دسمبر 2020 میں 8 فیصد رہی۔

مدت کے دوران فنڈ کو 430,596 ملین روپے کی مجموعی آمدنی ہوئی۔ 41,247 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 389,349 ملین روپے ہے۔ درج ذیل چارٹ NIDDF کی ایسٹ ایبلویشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیکس شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



### آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2020ء کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 6.31% (بنیادی قدر کا 6.31%) عبوری نقد ڈیویڈنڈ منظور کیا 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 یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے تخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ڈسٹی 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 منجمنٹ کمیٹی 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 Islamic Daily Dividend Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the 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 Islamic Daily Dividend 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 quarter ended December 31, 2020 has 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.

### 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

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Bank balances	4	7,965,745	5,063,693
Investments	5	6,208,255	3,154,524
Profit receivable		83,639	53,477
Prepayments, deposits and other receivables		652	826
Preliminary expenses and floatation costs	6	905	1,024
<b>Total assets</b>		<b>14,259,196</b>	<b>8,273,544</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - Management Company	7	16,188	11,127
Payable to Central Depository Company of Pakistan Limited - Trustee		973	514
Payable to the Securities and Exchange Commission of Pakistan	8	1,242	491
Payable against redemption of units		855	10,164
Accrued expenses and other liabilities	9	17,298	8,101
<b>Total liabilities</b>		<b>36,556</b>	<b>30,397</b>
<b>NET ASSETS</b>		<b>14,222,640</b>	<b>8,243,147</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>14,222,640</b>	<b>8,243,147</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
----- Number of units -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>1,422,270,702</b>	<b>824,318,625</b>
----- Rupees -----			
<b>NET ASSET VALUE PER UNIT</b>	11	<b>10.0000</b>	<b>10.0000</b>

The annexed notes from 1 to 20 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 December 31, 2020	For the period from November 01, 2019 to December 31, 2019	For the quarter ended December 31, 2020
	Note	----- (Rupees in '000) -----		
<b>INCOME</b>				
Income on corporate sukuk certificates		14,546	758	10,606
Income on term deposit receipts		63,190	-	37,040
Income on Islamic commercial papers		61,281	790	36,628
Income on letter of placements		41,873	-	18,550
Profit on bank deposits		249,706	7,260	143,832
<b>Total income</b>		<b>430,596</b>	<b>8,808</b>	<b>246,656</b>
<b>EXPENSES</b>				
Remuneration of NBP Fund Management Limited - Management Company	7.1	6,211	83	3,603
Sindh Sales Tax on remuneration of the Management Company	7.2	807	11	468
Allocated expenses	7.3	6,885	62	4,277
Selling and marketing expense	7.4	12,421	43	7,206
Remuneration of Central Depository Company of Pakistan Limited - Trustee		4,037	40	2,342
Sindh Sales Tax on remuneration of the Trustee		525	5	305
Annual fee of the Securities and Exchange Commission of Pakistan	8.1	1,242	12	720
Amortisation of preliminary expenses and floatation costs	6.1	119	43	59
Auditors' remuneration		230	184	125
Legal and professional charges		44	6	26
Annual listing fee		17	7	6
Shariah advisor fee		574	9	528
Settlement and bank charges		91	18	45
Printing expenses		28	4	22
Annual rating fee		70	25	32
<b>Total operating expenses</b>		<b>33,301</b>	<b>552</b>	<b>19,764</b>
<b>Net income from operating activities</b>		<b>397,295</b>	<b>8,256</b>	<b>226,892</b>
Provision against Sindh Workers' Welfare Fund	9.1	(7,946)	(165)	(4,538)
<b>Net income for the period before taxation</b>		<b>389,349</b>	<b>8,091</b>	<b>222,354</b>
Taxation	13	-	-	-
<b>Net income for the period after taxation</b>		<b>389,349</b>	<b>8,091</b>	<b>222,354</b>
<b>Earnings per unit</b>	14			
<b>Allocation of net profit for the period</b>				
Net income for the period after taxation		389,349	8,091	222,354
Income already paid on units redeemed		-	-	-
		<b>389,349</b>	<b>8,091</b>	<b>222,354</b>
<b>Accounting income available for distribution</b>				
- Relating to capital gains		-	-	-
- Excluding capital gains		389,349	8,091	222,354
		<b>389,349</b>	<b>8,091</b>	<b>222,354</b>

The annexed notes from 1 to 20 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 December 31, 2020	For the period from November 01, 2019 to December 31, 2019	For the quarter ended December 31, 2020
	----- (Rupees in '000) -----		
<b>Net income for the period after taxation</b>	389,349	8,091	222,354
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	389,349	8,091	222,354

The annexed notes from 1 to 20 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, 2020

Note	Half year ended December 31, 2020			For the period from November 01, 2019 to December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the period (audited)	8,243,147	-	8,243,147	-	-	-
Issuance of 1,476,699,432 units (2019: 121,223,671 units)						
- Capital value (at net asset value per unit at the beginning of the period / commencement of the Fund)	14,766,994	-	14,766,994	1,212,237	-	1,212,237
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	14,766,994	-	14,766,994	1,212,237	-	1,212,237
Redemption of 878,747,355 units (2019: 12,337,123 units)						
- Capital value (at net asset value per unit at the beginning of the period / commencement of the Fund)	(8,787,501)	-	(8,787,501)	(123,371)	-	(123,371)
- Element of loss	-	-	-	-	-	-
Total payments on redemption of units	(8,787,501)	-	(8,787,501)	(123,371)	-	(123,371)
Total comprehensive income for the period	-	389,349	389,349	-	8,091	8,091
Total distribution during the period	16	(389,349)	(389,349)	-	(8,091)	(8,091)
Net income for the period less distribution	-	-	-	-	-	-
Net assets at the end of the period (un-audited)	14,222,640	-	14,222,640	1,088,866	-	1,088,866
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		389,349			8,091	
		389,349			8,091	
Distribution for the period	16	(389,349)			(8,091)	
Undistributed income carried forward		-			-	
				(Rupees)		(Rupees)
Net asset value per unit at the beginning of the period				10.0000		-
Net asset value per unit at the end of the period				10.0000		10.0000

The annexed notes from 1 to 20 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	For the period from November 01, 2019 to December 31, 2019
<b>Note</b> ----- (Rupees in '000) -----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	389,349	8,091
<b>Adjustments:</b>		
Income on corporate sukuk certificates	(14,546)	(758)
Income on term deposit receipts	(63,190)	-
Income on Islamic commercial papers	(61,281)	(790)
Income on letter of placements	(41,873)	-
Profit on bank deposits	(249,706)	(7,260)
Provision against Sindh Workers' Welfare Fund	9.1 (7,946)	(165)
Amortisation of preliminary expenses and floatation costs	6.1 119	43
	(438,423)	(8,930)
<b>(Increase) / decrease in assets</b>		
Investments - net	(63,731)	(84,101)
Prepayments, deposits and other receivables	174	(509)
Preliminary expenses and floatation costs incurred	-	(1,186)
	(63,557)	(85,796)
<b>Increase in liabilities</b>		
Payable to NBP Fund Management Limited - Management company	5,061	1,594
Payable to Central Depository Company of Pakistan Limited - Trustee	459	29
Payable to the Securities and Exchange Commission of Pakistan	751	12
Accrued expenses and other liabilities	17,143	1,188
	23,414	2,823
Profit received on bank deposits, sukuk certificates, term deposit receipts, Islamic commercial papers and letter of placements	400,434	3,397
<b>Net cash generated from / (used in) operating activities</b>	311,217	(80,415)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	14,766,994	1,212,237
Amount paid against redemption of units	(8,796,810)	(123,371)
Distributions paid	(389,349)	(8,091)
<b>Net cash flows generated from financing activities</b>	5,580,835	1,080,775
<b>Net increase in cash and cash equivalents during the period</b>	5,892,052	1,000,360
Cash and cash equivalents at the beginning of the period	5,063,693	-
<b>Cash and cash equivalents at the end of the period</b>	12 10,955,745	1,000,360

The annexed notes from 1 to 20 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 Islamic Daily Dividend Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on September 23, 2019 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 'Shariah compliant money market fund' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from November 2, 2019 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to provide competitive return along with daily dividend by investing in Shariah compliant money market instruments.

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 June 24, 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 to "AA(f)" (2019: "AA(f)" on April 17, 2020) on October 16, 2020.

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

#### 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 VIII A 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 VIII A 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 VIII A 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 SUMMARY OF 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.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
<b>4 BANK BALANCES</b>			
Balances with banks in:			
Savings accounts	4.1	7,957,113	5,057,324
Current accounts		8,632	6,369
		<u>7,965,745</u>	<u>5,063,693</u>

4.1 These include a balance of Rs 0.120 million (June 30, 2020: Rs 0.118 million) and Rs. 0.511 million (June 30, 2020: Nil) maintained with National Bank of Pakistan and Bank Islami Pakistan Limited, (related parties), that carries profit at the rates of 4.5% (June 30, 2020: 4.5%) and 6.25% (June 30, 2020: Nil) per annum respectively. Other savings accounts carry profit at the rate of 6.25% to 7.77% (June 30, 2020: 6.65% to 7.5%) per annum.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Islamic commercial papers	5.1	2,049,255	532,787
Corporate sukuk certificates	5.2	1,169,000	163,000
Term deposit receipts	5.3	2,990,000	1,280,000
Letters of placement	5.4	-	1,178,737
		<u>6,208,255</u>	<u>3,154,524</u>

### 5.1 Islamic commercial papers

Name of security	Security rating	Face value (Rupees in '000)				(Rupees in '000)			Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2020	Purchased during the period	Matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation / (diminution)		
<b>POWER GENERATION &amp; DISTRIBUTION</b>										
K-Electric Limited CP 5	A-1+, VIS	312,000	-	312,000	-	-	-	-	-	-
K-Electric Limited CP 6	A-1+, VIS	206,000	-	206,000	-	-	-	-	-	-
K-Electric Limited CP 8	A-1+, VIS	25,000	-	25,000	-	-	-	-	-	-
K-Electric Limited CP 9	A-1+, VIS	-	675,000	-	675,000	668,871	668,871	-	10.77%	4.70%
K-Electric Limited CP 10	A-1+, VIS	-	640,000	-	640,000	632,331	632,331	-	10.19%	4.45%
K-Electric Limited CP 11	A-1+, PACRA	-	480,000	-	480,000	473,098	473,098	-	7.62%	3.33%
K-Electric Limited CP 12	A-1+, PACRA	-	245,000	-	245,000	240,744	240,744	-	3.88%	1.69%
K-Electric Limited CP 13	A-1+, VIS	-	35,000	-	35,000	34,211	34,211	-	0.55%	0.24%
<b>Total as at December 31, 2020</b>						<u>2,049,255</u>	<u>2,049,255</u>		<u>33.01%</u>	<u>14.41%</u>
<b>Total as at June 30, 2020</b>						<u>532,787</u>	<u>532,787</u>			



5.1.1 These carry profit rates ranging from 7.84% to 8.21% per annum and are due to mature latest by April 20, 2021.

## 5.2 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	Redemptions during the period	As at Dec 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation / (diminution)	Percentage in relation to	
					Number of certificates	(Rupees in '000)	%	Total market value of the investment					

### POWER GENERATION & DISTRIBUTION

Hub Power Company Limited Sukuk (Face value of Rs 100,000 per certificate)	AA+, PACRA	Semi-annually	November 19, 2020	6 months KIBOR plus base rate of 1.50%	1,630	-	1,630	-	-	-	-	-	-
Hub Power Company Limited Sukuk (Face value of Rs 100,000 per certificate)	AA+, PACRA	Semi-annually	May 17, 2021	8.65%	-	4,190	-	4,190	419,000	419,000	-	2.95%	6.75%
Kot Addu Power Company Limited Sukuk (Face value of Rs 100,000 per certificate)	A-1+, VIS	Semi-annually	June 08, 2021	7.99%	-	7,500	-	7,500	750,000	750,000	-	5.27%	12.08%
<b>Total as at December 31, 2020</b>									<b>1,169,000</b>	<b>1,169,000</b>	<b>-</b>	<b>8.22%</b>	<b>18.83%</b>
<b>Total as at June 30, 2020</b>									<b>163,000</b>	<b>163,000</b>			

## 5.3 Term deposit receipts

Name of Investee Company	Rating of Investee Company	Issue date	Profit rate	Face value				Carrying value 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
				As at July 1, 2020	Purchased during the period	Matured during the period	As at December 31, 2020				
(Rupees in '000)											
United Bank Limited	AAA, VIS	June 5, 2020	7.35%	500,000	-	500,000	-	-	-	-	
United Bank Limited	AAA, VIS	June 5, 2020	7.35%	500,000	-	500,000	-	-	-	-	
United Bank Limited	AAA, VIS	June 5, 2020	7.35%	280,000	-	280,000	-	-	-	-	
United Bank Limited	AAA, VIS	July 6, 2020	6.65%	-	500,000	500,000	-	-	-	-	
United Bank Limited	AAA, VIS	July 6, 2020	6.65%	-	500,000	500,000	-	-	-	-	
United Bank Limited	AAA, VIS	July 6, 2020	6.65%	-	242,000	242,000	-	-	-	-	
United Bank Limited	AAA, VIS	July 22, 2020	6.65%	-	60,000	60,000	-	-	-	-	
United Bank Limited	AAA, VIS	July 23, 2020	6.65%	-	35,500	35,500	-	-	-	-	
United Bank Limited	AAA, VIS	July 24, 2020	6.65%	-	8,000	8,000	-	-	-	-	
United Bank Limited	AAA, VIS	July 29, 2020	6.65%	-	73,000	73,000	-	-	-	-	
United Bank Limited	AAA, VIS	August 6, 2020	6.65%	-	500,000	500,000	-	-	-	-	
United Bank Limited	AAA, VIS	August 6, 2020	6.65%	-	500,000	500,000	-	-	-	-	
United Bank Limited	AAA, VIS	August 6, 2020	6.65%	-	288,000	288,000	-	-	-	-	
United Bank Limited	AAA, VIS	August 19, 2020	6.65%	-	67,500	67,500	-	-	-	-	
United Bank Limited	AAA, VIS	August 24, 2020	6.65%	-	125,500	125,500	-	-	-	-	
United Bank Limited	AAA, VIS	August 27, 2020	6.65%	-	22,000	22,000	-	-	-	-	
United Bank Limited	AAA, VIS	August 31, 2020	6.65%	-	74,000	74,000	-	-	-	-	
United Bank Limited	AAA, VIS	September 2, 2020	6.65%	-	250,500	250,500	-	-	-	-	
United Bank Limited	AAA, VIS	September 9, 2020	6.65%	-	46,500	46,500	-	-	-	-	
United Bank Limited	AAA, VIS	September 23, 2020	6.65%	-	50,500	50,500	-	-	-	-	



Name of Investee Company	Rating of Investee Company	Issue date	Profit rate	Face value				Carrying value 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
				As at July 1, 2020	Purchased during the period	Matured during the period	As at December 31, 2020				
(Rupees in '000)											
<b>COMMERCIAL BANKS</b>											
United Bank Limited	AAA, VIS	November 6, 2020	6.65%	-	291,000	-	291,000	291,000	291,000	4.69%	2.05%
United Bank Limited	AAA, VIS	November 6, 2020	6.65%	-	500,000	-	500,000	500,000	500,000	8.05%	3.52%
United Bank Limited	AAA, VIS	November 6, 2020	6.65%	-	500,000	-	500,000	500,000	500,000	8.05%	3.52%
United Bank Limited	AAA, VIS	November 17, 2020	6.65%	-	297,000	-	297,000	297,000	297,000	4.78%	2.09%
United Bank Limited	AAA, VIS	November 18, 2020	6.65%	-	153,000	-	153,000	153,000	153,000	2.46%	1.08%
United Bank Limited	AAA, VIS	November 19, 2020	6.65%	-	139,000	-	139,000	139,000	139,000	2.24%	0.98%
United Bank Limited	AAA, VIS	November 24, 2020	6.65%	-	143,000	-	143,000	143,000	143,000	2.30%	1.01%
United Bank Limited	AAA, VIS	November 25, 2020	6.65%	-	21,000	-	21,000	21,000	21,000	0.35%	0.15%
United Bank Limited	AAA, VIS	November 30, 2020	6.65%	-	54,000	-	54,000	54,000	54,000	0.87%	0.38%
United Bank Limited	AAA, VIS	December 2, 2020	6.65%	-	263,000	-	263,000	263,000	263,000	4.24%	1.85%
United Bank Limited	AAA, VIS	December 9, 2020	6.65%	-	129,000	-	129,000	129,000	129,000	2.08%	0.91%
Dubai Islamic Bank Pakistan	AA, VIS	December 30, 2020	7.00%	-	500,000	-	500,000	500,000	500,000	8.05%	3.52%
<b>Total as at December 31, 2020</b>								<b>2,990,000</b>	<b>2,990,000</b>	<b>48.16%</b>	<b>21.06%</b>
<b>Total as at June 30, 2020</b>								<b>1,280,000</b>	<b>1,280,000</b>		

5.3.1 These carry profit rates ranging from 6.65% to 7% per annum ( June 30, 2020: 7.35%) and are due to mature latest by March 9, 2021.

#### 5.4 Letters of placement

Name of investee companies	Rating of Investee Company	Amount Placed (Rupees in '000)				Carrying value 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
		As at July 1, 2020	Purchased during the period	Matured during the period	As at December 31, 2020				
(Rupees in '000)									
<b>DEVELOPMENT FINANCE INSTITUTIONS</b>									
Pak Brunei Investment Company Limited	AA+, VIS	228,236	-	228,236	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	103,425	-	103,425	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	97,570	-	97,570	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	370,364	-	370,364	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	275,316	-	275,316	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	103,826	-	103,826	-	-	-	-	-
<b>Total as at December 31, 2020</b>						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total as at June 30, 2020</b>						<b>1,178,737</b>	<b>1,178,737</b>		

#### 6 PRELIMINARY EXPENSES AND FLOATATION COSTS

At the beginning of the period / year  
Less: amortisation during the period / year  
At the end of the period / year

Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	(Rupees in '000)	
	1,024	1,186
6.1	(119)	(162)
	<u>905</u>	<u>1,024</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 (a related party). These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

7	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	(Un-audited)	(Audited)
			December 31, 2020	June 30, 2020
			----- (Rupees in '000) -----	
	Management fee payable	7.1	1,326	701
	Sindh Sales Tax payable on remuneration of the Management Company	7.2	172	91
	Allocated expenses payable	7.3	4,277	1,644
	Selling and marketing expenses payable	7.4	7,206	5,973
	Sales load payable		1,649	1,218
	Sindh Sales Tax payable on sales load		215	159
	Other payable		1,343	1,341
			<b>16,188</b>	<b>11,127</b>

- 7.1 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 1% (June 30, 2020: 1%) on net income, subject to floor and capping of 0.1% 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.

- 7.2 During the period, an amount of Rs. 0.807 million (2019: Rs. 0.011 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2019:13%).

- 7.3 In accordance with Regulation 60 of the NBFC Regulations 2008, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

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 accounting and operational charges 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
0.1% of average annual net assets	0.125% of average annual net assets	0.1% of average annual net assets

- 7.4 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). The maximum cap of selling and marketing expense was 0.4% per annum of the 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% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.



Accordingly, the Management Company has currently charged selling and marketing expenses to the Fund @ 0.2% of average annual net assets during the period (June 30, 2020: 0.4% of the average annual net assets of the Fund) which has also been approved by the Board of Directors of the Management Company.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
<b>8</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Annual fee payable	8.1	1,242
		<u>1,242</u>	<u>491</u>

**8.1** In accordance with the NBFC Regulations 2008, 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(1)/2019 dated June 28, 2019, the Fund has charged the SECP fee at the rate of 0.02% of net assets (June 30, 2020: 0.02%).

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
<b>9</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for Sindh Workers' Welfare Fund	9.1	12,602
	Auditors' remuneration payable		118
	Shariah advisory fee payable		533
	Legal fee payable		38
	Withholding tax payable		4,003
	Payable against printing charges		2
	Bank and settlement charges payable		2
		<u>17,298</u>	<u>8,101</u>

**9.1** 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 0.009 (June 20, 2020: 0.006) per unit.

## 10 CONTINGENCIES AND COMMITMENTS

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

## 11 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 / year end.



		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
<b>12 CASH AND CASH EQUIVALENTS</b>			
Balances with banks	4	7,965,745	5,063,693
Term deposit receipts	5.3	2,990,000	-
		10,955,745	5,063,693

## 13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the period ended December 31, 2020 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements during the period.

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

## 14 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.

## 15 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 0.67% (December 31, 2019: 1.15%) which includes 0.17% (December 31, 2019: 0.31%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2% (December 31, 2019: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "Shariah compliant Money Market" scheme.

## 16 INTERIM DISTRIBUTION

The Fund makes distribution on daily basis as per clause 12.1 of the Trust Deed and clause 1.4 of the Offering Document and re-invests the distributed dividend as per clause 1.4 of the Offering Document. During the period, the Management Company on behalf of the Fund, has distributed the total profit earned during the period amounting to Rs 389.349 million as dividend after deducting applicable taxes and the same has been re-invested.

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
July 1, 2020	0.0018	July 11, 2020	0.0019	July 21, 2020	0.0018
July 2, 2020	0.0018	July 12, 2020	0.0018	July 22, 2020	0.0018
July 3, 2020	0.0019	July 13, 2020	0.0018	July 23, 2020	0.0018
July 4, 2020	0.0019	July 14, 2020	0.0019	July 24, 2020	0.0018
July 5, 2020	0.0018	July 15, 2020	0.0018	July 25, 2020	0.0017
July 6, 2020	0.0020	July 16, 2020	0.0018	July 26, 2020	0.0018
July 7, 2020	0.0018	July 17, 2020	0.0019	July 27, 2020	0.0018
July 8, 2020	0.0019	July 18, 2020	0.0018	July 28, 2020	0.0018
July 9, 2020	0.0018	July 19, 2020	0.0018	July 29, 2020	0.0018
July 10, 2020	0.0018	July 20, 2020	0.0019	July 30, 2020	0.0018





Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
July 31, 2020	0.0017	September 25, 2020	0.0017	November 20, 2020	0.0017
August 1, 2020	0.0018	September 26, 2020	0.0018	November 21, 2020	0.0017
August 2, 2020	0.0017	September 27, 2020	0.0017	November 22, 2020	0.0016
August 3, 2020	0.0018	September 28, 2020	0.0017	November 23, 2020	0.0017
August 4, 2020	0.0017	September 29, 2020	0.0017	November 24, 2020	0.0017
August 5, 2020	0.0018	September 30, 2020	0.0017	November 25, 2020	0.0016
August 6, 2020	0.0017	October 1, 2020	0.0017	November 26, 2020	0.0017
August 7, 2020	0.0018	October 2, 2020	0.0017	November 27, 2020	0.0016
August 8, 2020	0.0018	October 3, 2020	0.0018	November 28, 2020	0.0017
August 9, 2020	0.0017	October 4, 2020	0.0017	November 29, 2020	0.0016
August 10, 2020	0.0018	October 5, 2020	0.0017	November 30, 2020	0.0017
August 11, 2020	0.0018	October 6, 2020	0.0017	December 1, 2020	0.0017
August 12, 2020	0.0018	October 7, 2020	0.0017	December 2, 2020	0.0017
August 13, 2020	0.0018	October 8, 2020	0.0017	December 3, 2020	0.0017
August 14, 2020	0.0018	October 9, 2020	0.0017	December 4, 2020	0.0016
August 15, 2020	0.0017	October 10, 2020	0.0017	December 5, 2020	0.0017
August 16, 2020	0.0017	October 11, 2020	0.0017	December 6, 2020	0.0017
August 17, 2020	0.0018	October 12, 2020	0.0018	December 7, 2020	0.0017
August 18, 2020	0.0017	October 13, 2020	0.0017	December 8, 2020	0.0017
August 19, 2020	0.0018	October 14, 2020	0.0017	December 9, 2020	0.0016
August 20, 2020	0.0017	October 15, 2020	0.0017	December 10, 2020	0.0017
August 21, 2020	0.0017	October 16, 2020	0.0017	December 11, 2020	0.0017
August 22, 2020	0.0017	October 17, 2020	0.0017	December 12, 2020	0.0017
August 23, 2020	0.0018	October 18, 2020	0.0017	December 13, 2020	0.0016
August 24, 2020	0.0017	October 19, 2020	0.0018	December 14, 2020	0.0017
August 25, 2020	0.0017	October 20, 2020	0.0017	December 15, 2020	0.0017
August 26, 2020	0.0017	October 21, 2020	0.0017	December 16, 2020	0.0017
August 27, 2020	0.0018	October 22, 2020	0.0017	December 17, 2020	0.0017
August 28, 2020	0.0017	October 23, 2020	0.0018	December 18, 2020	0.0016
August 29, 2020	0.0018	October 24, 2020	0.0017	December 19, 2020	0.0017
August 30, 2020	0.0017	October 25, 2020	0.0018	December 20, 2020	0.0017
August 31, 2020	0.0017	October 26, 2020	0.0017	December 21, 2020	0.0017
September 1, 2020	0.0017	October 27, 2020	0.0017	December 22, 2020	0.0017
September 2, 2020	0.0017	October 28, 2020	0.0017	December 23, 2020	0.0017
September 3, 2020	0.0017	October 29, 2020	0.0017	December 24, 2020	0.0017
September 4, 2020	0.0017	October 30, 2020	0.0016	December 25, 2020	0.0017
September 5, 2020	0.0017	October 31, 2020	0.0017	December 26, 2020	0.0017
September 6, 2020	0.0017	November 1, 2020	0.0017	December 27, 2020	0.0017
September 7, 2020	0.0018	November 2, 2020	0.0017	December 28, 2020	0.0017
September 8, 2020	0.0017	November 3, 2020	0.0017	December 29, 2020	0.0017
September 9, 2020	0.0017	November 4, 2020	0.0017	December 30, 2020	0.0017
September 10, 2020	0.0017	November 5, 2020	0.0017	December 31, 2020	0.0017
September 11, 2020	0.0017	November 6, 2020	0.0017		
September 12, 2020	0.0017	November 7, 2020	0.0016		
September 13, 2020	0.0017	November 8, 2020	0.0017		
September 14, 2020	0.0018	November 9, 2020	0.0017		
September 15, 2020	0.0017	November 10, 2020	0.0017		
September 16, 2020	0.0017	November 11, 2020	0.0017		
September 17, 2020	0.0017	November 12, 2020	0.0017		
September 18, 2020	0.0017	November 13, 2020	0.0017		
September 19, 2020	0.0018	November 14, 2020	0.0017		
September 20, 2020	0.0017	November 15, 2020	0.0017		
September 21, 2020	0.0017	November 16, 2020	0.0017		
September 22, 2020	0.0017	November 17, 2020	0.0017		
September 23, 2020	0.0017	November 18, 2020	0.0017		
September 24, 2020	0.0017	November 19, 2020	0.0016		



## 17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** 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.
- 17.2** 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.
- 17.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 17.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 17.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 17.6** The details of transactions with related parties / connected persons during the period are as follows:

	(Un-audited)	
	Half year ended December 31, 2020	For the period from November 01, 2019 to December 31, 2019
	----- (Rupees in '000) -----	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of NBP Fund Management Limited - Management Company	6,211	83
Sindh Sales Tax on remuneration of the Management Company	807	11
Allocated expenses	6,885	62
Selling and marketing expense	12,421	43
Sales and transfer load	431	85
Sindh Sales Tax on sales and transfer load	56	11
Preliminary expenses and floatation costs paid by the Management Company	119	1,186
Other expenses paid by the Management Company	-	145
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	4,037	40
Sindh Sales Tax on remuneration of the Trustee	525	5
<b>Key management personnel of the Management Company</b>		
Dividend re-invest units issued - 1,256 units (2019: 11 units)	13	-
Units issued - 9,413 units (2019: 999 units)	94	10
Units redeemed - 75,933 units (2019: 1,010 units)	759	10
<b>National Bank of Pakistan - parent company</b>		
Profit on bank balances	1	13



	(Un-audited)	
	Half year ended December 31, 2020	For the period from November 01, 2019 to December 31, 2019
	----- (Rupees in '000) -----	
<b>Baltoro Partners (Private) Limited - sponsor</b>		
Dividend re-invest units issued - 2,110 units (2019: 2,664 units)	21	27
Units issued - Nil (2019: 701,000 units)	-	7,010
<b>Shafi Gluco Chem (Private) Limited - unit holder holding 10% or more units*</b>		
Dividend re-invest units issued - Nil (2019: 140,390 units)	-	1,404
Units issued - Nil (2019: 34,130,737 units)	-	341,307
<b>Lucky Commodities (Private) Limited - unit holder holding 10% or more units*</b>		
Dividend re-invest units issued - Nil (2019: 69,843 units)	-	698
Units issued - Nil (2019: 25,000,000 units)	-	250,000
<b>The University of Lahore - unit holder holding 10% or more units</b>		
Dividend re-invest units issued - Nil (2019: 7,600 units)	-	76
Units issued - Nil (2019: 20,000,000 units)	-	200,000
<b>Hub Power Company Limited - common directorship</b>		
Redemption of sukuk certificates	163,000	-
Purchase of sukuk certificates	419,000	45,000
Income from sukuk certificates	10,606	758
<b>NBP Riba Free Savings Fund</b>		
Purchase of commercial paper (K-Electric Limited)	-	38,311
<b>NBP Islamic Money Market Fund</b>		
Purchase of commercial paper (K-Electric Limited)	240,174	-
<b>Pakistan Stock Exchange Limited - common directorship</b>		
Listing fee paid	25	25
<b>NAFA Islamic Capital Preservation Plan-IV</b>		
Dividend re-invest units issued - 253,386 units (2019: Nil)	2,534	-
Units issued / transferred in - 13,250,000 units (2019: Nil)	132,500	-
Units redeemed / transferred out - 7,800,000 units (2019: Nil)	78,000	-
<b>NBP Islamic Capital Preservation Plan-V</b>		
Dividend re-invest units issued - 182,123 units (2019: Nil)	1,821	-
Units issued / transferred in - 7,950,000 units (2019: Nil)	79,500	-
Units redeemed / transferred out - 2,500,000 units (2019: Nil)	25,000	-
<b>Bosch Pharmaceuticals (Pvt) Ltd Employees Provident Fund</b>		
Dividend re-invest units issued - 267,857 units (2019: Nil)	2,679	-
Units issued / transferred in - 12,000,000 units (2019: Nil)	120,000	-
Units redeemed / transferred out - 10,623,495 units (2019: Nil)	106,235	-



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

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration payable to the Management Company	1,326	701
Sindh Sales Tax on remuneration of the Management Company	172	91
Allocated expenses payable	4,277	1,644
Selling and marketing expenses payable	7,206	5,973
Sales load payable to the Management Company	1,649	1,218
Sindh Sales Tax payable on the sales load	215	159
Other payable to the Management Company	1,343	1,341
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	861	455
Sindh sales tax payable on remuneration of the Trustee	112	59
Security deposit	100	100
<b>Key management personnel of the Management Company</b>		
Units outstanding - 19,187 units (June 30, 2020: 84,451 units)	192	845
<b>Baltoro Partners (Private) Limited - common directorship</b>		
Units outstanding - 78,966 units (June 30, 2020: 76,856 units)	790	769
<b>Bosch Pharmaceuticals (Private) Limited Employees Provident Fund - entity managed by the Management Company</b>		
Units outstanding - 12,264,416 units (June 30, 2020: 10,620,054 units)	122,644	106,201
<b>Yunus Textile Mills Limited - unit holders with more than 10% holding*</b>		
Units outstanding - 309,056,469 units (June 30, 2020: 201,379,926 units)	3,090,565	2,013,799
<b>Pakistan Defence Officers Housing Authority - unit holders with more than 10% holding*</b>		
Units outstanding - 320,961,345 units (June 30, 2020: 163,799,290 units)	3,209,613	1,637,993
<b>Artistic Milliners Private Limited - unit holders with more than 10% holding*</b>		
Units outstanding - Nil (June 30, 2020: 100,034,083 units)	-	1,000,341
<b>National Bank of Pakistan - parent company</b>		
Bank balance	120	118
<b>BankIslami Pakistan Limited</b>		
Bank balance	511	-



	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
<b>Hub Power Company Limited - common directorship</b>		
Sukuk certificates	419,000	163,000
Profit receivable on sukuk certificates	4,568	1,842
<b>NAFA Islamic Capital Preservation Plan-IV</b>		
Units outstanding - 5.703,386 units (June 30, 2020: Nil)	57,034	-
<b>NBP Islamic Capital Preservation Plan-V</b>		
Units outstanding - 5,632,123 units (June 30, 2020: Nil)	56,321	-

\* Current period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2020.

17.8 Other balances due to / from related parties / connected persons are included in the respective notes to these condensed interim financial statements.

## 18 FAIR VALUE MEASUREMENT

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

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

### 18.1 Fair value hierarchy

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

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

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

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

As at 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
<b>At fair value through profit or loss</b>	<b>Rupees in 000</b>			
Islamic Commercial papers*	-	2,049,255	-	2,049,255
Corporate Sukuk certificates**	-	1,169,000	-	1,169,000
Term deposit receipts**	-	2,990,000	-	2,990,000
Letters of Placement	-	-	-	-
	-	6,208,255	-	6,208,255

----- Audited -----				
----- As at June 30, 2020 -----				
	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>	<b>Rupees in 000</b>			
Investment in:				-
Islamic Commercial papers*	-	532,787	-	532,787
Corporate Sukuk certificates**	-	163,000	-	163,000
Term deposit receipts**	-	1,280,000	-	1,280,000
Letters of Placement**	-	1,178,737	-	1,178,737
	-	3,154,524	-	3,154,524

\* The valuation of Islamic 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 its fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

## 19 GENERAL

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

## 20 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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