

NBP ISLAMIC ENERGY 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.**



Contents

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



FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Ms. Mehnaz Salar	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Humayun Bashir	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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islami Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
Summit Bank Limited
United Bank Limited



Auditors

Grant Thornton Anjum Rahman.
1st & 3rd Floor,
Modern Motors House, Beaumont Road,
Karachi, 75530

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.nbpfonds.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 condensed financial statements of **NBP Islamic Energy Fund (NIEF)** for the half year ended December 31, 2020.

Fund's Performance

The size of NBP Islamic Energy Fund at the end of the period stood at Rs. 495 million, 17% lower than at June 30, 2020. During the period the unit price of NIEF has increased from Rs. 8.4866 on June 30, 2020 to Rs. 9.3519 on December 31, 2020, thus showing an increase of 10.2%. The Benchmark (KMI-30 Index) increased by 29.4%. Thus, the Fund has underperformed its Benchmark by 19.2% during the period under review. Since inception (April 21, 2016), the unit price of the Fund has shown an increased of 3.4% as compared to 20.7% increase in its Benchmark. Thus, the Fund has underperformed its Benchmark by 17.3%. This performance is net of management fee and all other expenses.

During 1HFY2021, riding on the positive momentum, the stock market delivered robust returns as the benchmark KMI-30 Index surged by around 29%. To recall, the market staged a sharp recovery after Coronavirus-induced sell-off of equities in March 2020. The rally at the local bourse is attributable to the unprecedented monetary and fiscal policy response; gradual lifting of the lockdown; and earlier than expected arrival of the effective vaccines.

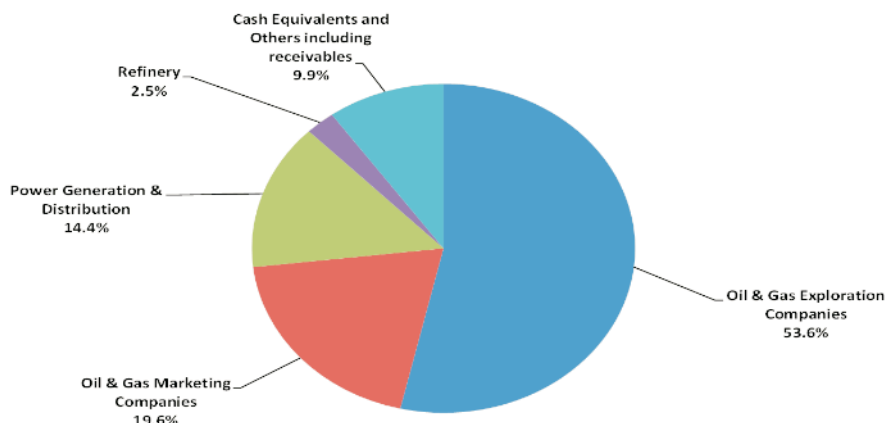
The unprecedented policy measures on the fiscal and monetary fronts cushioned the economy from the Coronavirus shock. The SBP slashed the Policy Rate by a cumulative 6.25% and emended prudential regulations to provide relief for loan repayments and the government launched a massive stimulus package of Rs. 1.2 trillion. On the healthcare front, active cases of Covid-19 declined significantly after peaking in July; the fatality rate fell sharply; and infection ratios also dropped to a low single-digit. Improvement on the pandemic front allowed re-opening of the economy, which gathered steam as evidenced by the frequently released economic data such as cement dispatches, retail fuel sales, and sale of automobiles. SBP-IBA survey shows that business confidence also reached at a two year high after bottoming in April 2020. External account also remained beneficiary of the Coronavirus pandemic as workers' remittances have shown a hefty 25% growth in 1HFY21 on a year-on-year basis. Resultantly, the country has posted a current account surplus of USD 1.1 billion in the 1HFY2021 versus a current account deficit of USD 2.0 billion in corresponding period last year. Despite elevated food prices, average inflation also eased off somewhat. The encouraging development on the healthcare front, improving economic activity, promising corporate earnings prospects, and attractive market valuations buoyed market sentiments.

Looking at the sector wise performance of the market, Automobiles, Cable & Elec. Goods, Cements, Engineering, Glass & Ceramics, Paper & Board, Refineries, Technology and Textiles outperformed the market, while Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, Pharmaceuticals, Power Generation and Distribution, Sugar, and Transport sectors lagged behind. In terms of participant-wise activity, Individuals remained the largest buyers during the period under review with net inflows of USD 159 million. Alongside, Companies and Insurance were also large net buyers, adding positions worth USD 91 million and USD 83 million, respectively. On the other hand, Foreigners and Banks/DFIs were the largest sellers in the market with net outflows amounting to USD 279 million and USD 69 million, respectively.

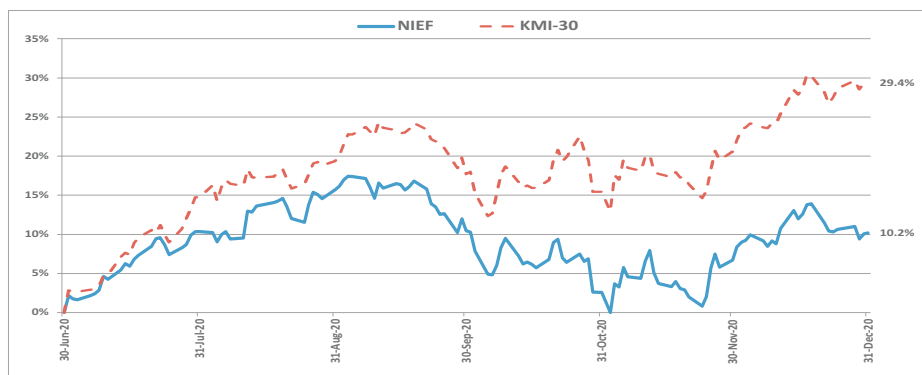
The Fund has earned a total income of Rs. 74.06 million during the period. After deducting total expenses of Rs. 12.56 million, the net income is Rs. 61.51 million



The asset allocation of the Fund as on December 31, 2020 is as follows:



NIEF Performance versus Benchmark



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 منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2020ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک انرجی فنڈ (NIEF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک انرجی فنڈ کا ساٹھ سو چالیس ملین روپے رہا۔ جو 30 جون 2020 کے مقابلے میں 17% کم ہے۔ اس مدت کے دوران، NBP اسلامک انرجی فنڈ کے پونٹ کی قیمت 30 جون 2020 کو 8.4866 روپے سے بڑھ کر 31 دسمبر 2020 کو 9.3519 روپے ہو گئی، لہذا 10.2% کا اضافہ ظاہر کیا۔ بیچ مارک (KMI-30 انڈیکس) 29.4% سے زیادہ ہوا۔ لہذا فنڈ کی کارکردگی زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 19.2% اتر رہی۔ اپنے قیام کے وقت (21 اپریل 2016) سے اب تک فنڈ کے پونٹ کی قیمت نے اپنے بیچ مارک میں 20.7% اضافہ کے مقابلے میں 3.4% کا اضافہ ظاہر کیا۔ اس طرح فنڈ کی کارکردگی اپنے بیچ مارک سے 17.3% اتر رہی۔ فنڈ کی یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

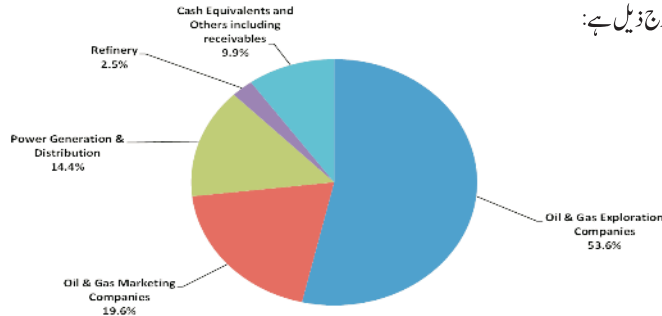
اسٹاک مارکیٹ نے مالی سال 2021 کی پہلی ششماہی کے دوران مضبوط کارکردگی کا تاثر دیا کیونکہ بیچ مارک KMI-30 انڈیکس میں 29% اضافہ ہوا۔ چیزوں کو تناظر میں رکھنے کے لئے، مارچ 2020 میں کوورونا وائرس-1 کیونٹی کی حوصلہ افزاء فروخت کے بعد مارکیٹ میں تیزی سے بحالی کا آغاز ہوا۔ مقامی سطح پر بحالی غیر معمولی مالیاتی اور مالی پالیسی کے رد عمل، لاک ڈاؤن کو بہتر ترجیح اٹھانے، اور ووٹر ویکسینوں کی توقع سے قبل آمد کے باعث ہوئی ہے۔

مالی اور مالیاتی محاذوں پر غیر معمولی پالیسی اقدامات نے معیشت کو کوورونا وائرس کے خطرات سے تحفظ دیا۔ اسٹیٹ بینک نے پالیسی شرح میں مجموعی طور پر 6.25% فیصد کمی کی اور قرضوں کی ادائیگیوں میں مدد دینے کے لئے احتیاطی ضوابط میں ترمیم کی اور حکومت نے 1.2 ٹریلین روپے کے ایک محرک پیکیج کا آغاز کیا۔ صحت کی دیکھ بھال کے حوالے سے، جولائی میں بلندی پر پہنچنے کے بعد کوویڈ-19 کے فعال کیسز میں نمایاں کمی واقع ہوئی، اموات کی شرح میں تیزی سے کمی آئی اور انفیکشن کا تناسب بھی کم ہو کر واحد ہندسے پر آ گیا۔ وبائی محاذ پر بہتری نے معیشت کو دوبارہ کھولنے کی اجازت دی، سہنٹ کی ترسیل، خوردہ ایندھن کی فروخت اور آٹوموبائل کی فروخت کے لئے جاری کردہ معاشی اعداد و شمار اس بات کا ثبوت دیتے ہیں۔ SBP-IBA سروے ظاہر کرتا ہے کہ اپریل 2020 میں چٹائی سطح پر پہنچنے کے بعد کاروباری اعتماد بھی دو سال کی بلند ترین سطح پر پہنچ گیا۔ بیرونی اکاؤنٹ اب تک کوورونا وائرس میں فائدہ مند رہا ہے کیونکہ کارکنوں کی تسلیات زرنے سالانہ بنیاد پر مالی سال 2021 کی پہلی ششماہی میں 25 فیصد نمایاں اضافہ ظاہر کیا ہے۔ نتیجتاً ملک نے مالی سال 2021 کی پہلی ششماہی میں 1.1 ٹریلین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس درج کرایا ہے جبکہ گزشتہ سال کے اسی عرصے میں کرنٹ اکاؤنٹ خسارہ 2.0 ٹریلین امریکی ڈالر تھا۔ خوراک کی بلند ترین قیمتوں کے باوجود، اوسط افراط زر میں بھی کسی حد تک کمی آئی ہے۔ صحت کی دیکھ بھال کے محاذ پر حوصلہ افزاء بہتری، معاشی سرگرمیوں میں بہتری، کارپوریٹ آمدنی کے امکانات کا وعدہ، اور مارکیٹ کی پرکشش قیمتوں نے مارکیٹ کے بڑھنے کو فروغ دیا۔

مارکیٹ کی سیکلر وائز کارکردگی کے تناظر میں، آٹوموبائل، کیبل اور الیکٹریک کا سامان، سہنٹ، انجینئرنگ، شیشہ اور سراسرکس، کاغذ اور بورڈ، ریفاٹریز، ٹیکنالوجی اور نیٹ ورکسنگ نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا جبکہ کھاد، خوراک اور ذاتی نگہداشت، انشورنس، آئل اینڈ گیس ایکسپلوریشن، دواسازی، بجلی پیداوار اور تقسیم کرنے، چینی اور ٹرانسپورٹ کے شعبے پیچھے رہے۔ شریک دار سرگرمی کے لحاظ سے، زیر جائزہ مدت کے دوران انفرادی سرمایہ کار 159 ملین امریکی ڈالر کی خالص انفلوئز کے ساتھ بڑے خریدار رہے۔ اس کے علاوہ کمپنیز اور انشورنس بھی خالص خریدار تھے، جنہوں نے بالترتیب 91 ملین امریکی ڈالر اور 83 ملین امریکی ڈالر کا اضافہ کیا۔ دوسری طرف، غیر ملکی اور بینک/DFIs مارکیٹ میں بالترتیب 279 ملین امریکی ڈالر اور 69 ملین امریکی ڈالر کے خالص آؤٹ فلوز کے ساتھ بڑے فروخت کنندگان رہے۔

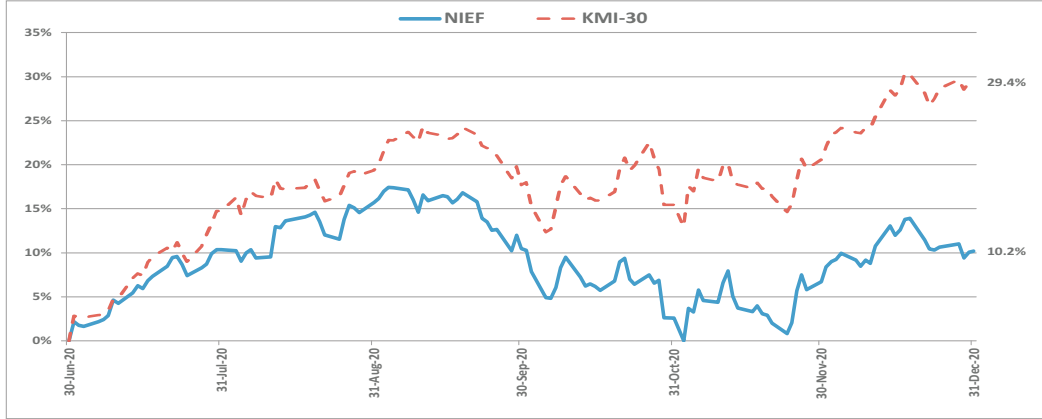
موجودہ مدت کے دوران فنڈ کو 74.06 ملین روپے کی مجموعی آمدنی ہوئی۔ 12.56 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 61.51 ملین روپے ہے۔

31 دسمبر 2020 کو فنڈ کی ایسٹ ایلوکییشن درج ذیل ہے:





NIEF کی کارکردگی بہ مقابلہ بینچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ 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 Islamic Energy 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 Energy 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 unitholders' fund and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the interim financial statements). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of the interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial Information Performed by the Independent Auditor of the Entity". A review of 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 interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

- 1) The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three months' period ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2020; and
- 2) The condensed interim financial statements for the half year ended December 31, 2019 and the annual financial statements for the year ended June 30, 2020 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated February 27, 2020 and audit report dated September 29, 2020 expressed an unmodified conclusion and an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Shaukat Naseeb**.

Grant Thornton Anjum Rahman

Chartered Accountants

Date: 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
ASSETS	Note	-----Rupees in 000-----	
Bank balances	5	46,000	30,237
Investments	6	445,719	582,638
Profit receivable	7	129	172
Receivable against issuance of units		20,094	3,345
Preliminary expenses and floatation costs	8	145	375
Deposits, prepayments and other receivables	9	7,476	5,604
Total assets		519,563	622,371
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	10	6,617	6,321
Payable to Central Depository Company of Pakistan Limited - the Trustee	11	89	113
Payable to the Securities and Exchange Commission of Pakistan	12	53	110
Payable against redemption of units		18	399
Payable against purchase of investments		-	175
Accrued expenses and other liabilities	13	18,207	16,694
Total liabilities		24,984	23,812
NET ASSETS		494,579	598,559
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		494,579	598,559
CONTINGENCIES AND COMMITMENTS	14		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		52,885,681	70,530,143
		----- Rupees -----	
NET ASSET VALUE PER UNIT	15	9.3519	8.4866

The annexed notes from 1 to 22 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,		Quarter ended December 31,	
	2020	2019	2020	2019
Note ----- Rupees in 000 -----				
INCOME				
Gain / (loss) on sale of investments - net	22,320	(7,038)	5,444	13,628
Dividend income	12,502	9,889	10,569	4,749
Profit on bank balances	880	2,269	415	1,174
Unrealized appreciation / (diminution) on premeasurement of investments classified as financial asset 'at fair value through profit or loss' - net	6.3 38,359	79,467	(12,961)	114,595
Total income	74,061	84,587	3,467	134,146
EXPENSES				
Remuneration of NBP Fund Management Limited - Management Company	10.1 3,964	4,288	1,772	2,189
Sindh Sales Tax on remuneration of the Management Company	516	557	231	284
Allocated expenses	10.3 306	279	160	146
Selling and marketing expenses	10.4 4,303	3,114	2,111	1,730
Remuneration of Central Depository Company of Pakistan Limited - Trustee	529	558	237	291
Sindh sales tax on remuneration of the Trustee	69	73	31	38
Annual fee of the Securities and Exchange Commission of Pakistan	53	56	24	29
Amortization of preliminary expenses and floatation costs	8 230	230	115	116
Auditors' remuneration	360	314	303	173
Securities transaction cost	631	1,021	253	749
Legal fee	58	19	9	10
Listing fee	14	14	7	7
Shari'ah advisor fee	32	48	12	39
Settlement and bank charges	235	176	129	5
Total expenses	11,300	10,747	5,394	5,806
Net profit / (loss) from operating activities	62,761	73,840	(1,927)	128,340
Provision for Sindh Workers' Welfare Fund	13.1 (1,255)	(1,477)	(39)	(1,477)
Net profit / (loss) for the period before taxation	61,506	72,363	(1,966)	126,863
Taxation	16 -	-	-	-
Net profit / (loss) for the period after taxation	61,506	72,363	(1,966)	126,863
Earning / loss per unit	17			
Allocation of net income for the period:				
Net income for the period after taxation	61,506	72,363		
Income already paid on units redeemed	(26,355)	(5,108)		
	35,151	67,255		
Accounting income available for distribution:				
- Relating to capital gains	35,151	66,438		
- Excluding capital gains	-	817		
	35,151	67,255		

The annexed notes from 1 to 22 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,		Quarter ended December 31,	
	2020	2019	2020	2019
	----- Rupees in 000 -----			
Net profit / (loss) for the period after taxation	61,506	72,363	(1,966)	126,863
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	61,506	72,363	(1,966)	126,863

The annexed notes from 1 to 22 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

	December 31, 2020			December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in 000)			(Rupees in 000)		
Net assets at beginning of the period (audited)	573,989	24,570	598,559	608,471	57,565	666,036
Issue of 42,852,309 units (December 31, 2019: 27,459,081 units)						
- Capital value (at net asset value per unit at the beginning of the period)	363,670	-	363,670	251,231	-	251,231
- Element of income	30,414	-	30,414	11,285	-	11,285
Total proceeds on issuance of units	394,085	-	394,085	262,516	-	262,516
Redemption of 60,496,772 units (December 31, 2019: 39,076,375 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(513,412)	-	(513,412)	(357,521)	-	(357,521)
- Element of (loss) / income	(19,804)	(26,355)	(46,159)	10,382	(5,108)	5,274
Total payments on redemption of units	(533,216)	(26,355)	(559,571)	(347,139)	(5,108)	(352,247)
Total comprehensive income for the period	-	61,506	61,506	-	72,363	72,363
Net assets at end of the period (Un-audited)	434,858	59,721	494,579	523,848	124,820	648,668
Undistributed income brought forward						
- Realized		43,207			209,700	
- Unrealized		(18,637)			(152,135)	
		24,570			57,565	
Accounting income available for distribution						
- Relating to capital gains		35,151			66,438	
- Excluding capital gains		-			817	
		35,151			67,255	
Undistributed income carried forward		59,721			124,820	
Undistributed income carried forward						
- Realized		21,362			45,353	
- Unrealized		38,359			79,467	
		59,721			124,820	
				(Rupees)		(Rupees)
Net assets value per unit at the beginning of the period			8.4866			9.1493
Net assets value per unit at the end of the period			9.3519			10.6028

The annexed notes from 1 to 22 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

	December 31,	
	2020	2019
Note	-----Rupees in 000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (loss) for the period before taxation	61,506	72,363
Adjustments for non cash items:		
Unrealized (appreciation) on remeasurement of investments as financial assets 'at fair value through profit or loss' - net	(38,359)	(79,467)
Amortization of preliminary expenses and floatation costs	230	230
	<u>23,377</u>	<u>(6,874)</u>
Working capital changes		
Decrease / (increase) in assets		
Investments - net	175,278	87,933
Profit receivable	43	(35)
Receivable against sale of investments	-	26,783
Deposits, prepayments and other receivables	(1,872)	(14)
	<u>173,449</u>	<u>114,667</u>
Increase/(decrease) in liabilities		
Payable to NBP Fund Management Limited - Management company	296	(674)
Payable to Central Depository Company of Pakistan Limited - Trustee	(24)	(12)
Payable to the Securities and Exchange Commission of Pakistan	(57)	(1,076)
Payable against purchase of investments	(175)	-
Accrued expenses and other liabilities	1,513	860
	<u>1,553</u>	<u>(902)</u>
Net cash generated from operating activities	<u>198,379</u>	<u>106,891</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	377,336	262,442
Payments on redemption of units	(559,952)	(352,206)
Net cash used in financing activities	<u>(182,616)</u>	<u>(89,764)</u>
Net increase in cash and cash equivalents during the period	<u>15,763</u>	<u>17,127</u>
Cash and cash equivalents at the beginning of the period	30,237	33,788
Cash and cash equivalents at the end of the period	<u>5</u> <u>46,000</u>	<u>50,915</u>

The annexed notes from 1 to 22 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

- 1.1 NBP Islamic Energy Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on March 28, 2016 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 equity scheme" by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009.

The objective of the Fund is to provide higher risk adjusted returns to investors by investing in diversified portfolio of Shari'ah compliant energy sector equity instruments. The investment objectives and policies are explained in the Fund's Offering Document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM1 as at December 24, 2020 to the Management Company. The Fund has not yet been rated.

The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

1.2 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

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 year ended June 30, 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 SUMMARY OF SIGNIFICANT EVENTS AND TRANSCATIONS

Except for the transactions mentioned in note 20, there were no significant events and transactions that have affected the Fund's financial position and performance.



3 BASIS OF PREPARATION

3.1 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 Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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 requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of 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.

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.

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

4.1 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.

4.2 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.

4.3 Standards, Amendments And Interpretations To Approved Accounting Standards



Standards, amendments and interpretations to the published standards that may be relevant to the Fund and adopted in the current period

The Fund has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current period.

New or Revised Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
IAS 1 and IAS 8 Definition of Material (Amendment to IAS 1 and IAS 8)	January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Investment rate benchmark Reform (Amendment to IFRS 9, IAS 39 and IFRS 7)	January 1, 2020
Annual improvements to IFRSs 2015 - 2017 Cycle	January 1, 2020

Adoption of the above standards have no effect on the amounts for the period ended December 31, 2020

Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Fund

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform Phase 2	January 1, 2021
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022
IFRS 1, IFRS 9, IFRS 16 and IAS 41 Annual Improvements to IFRS Standards 2018-2020 cycle	January 1, 2022

The Fund is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the condensed interim financial statements of the Fund.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
5	BANK BALANCES	Note	----- Rupees in 000 -----
	Savings accounts	5.1	41,512
	Current accounts		4,488
			<u>46,000</u>
			<u>30,237</u>

- 5.1** These include balances of Rs. 9.001 million (June 30, 2020: Rs. 23.274 million) maintained with BankIslami Pakistan Limited (a related party), that carry profit at the rates ranging from 6% to 7% (June 30, 2020: 7.25%) per annum. Other savings accounts of the Fund carry profit rates ranging from 4.5% to 6.65% (June 30, 2020: 4.5% to 7.65%) per annum.



6 INVESTMENTS	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
Investments 'at fair value through profit or loss' - (FVTPL)			
Listed equity securities	6.1	445,719	582,638

6.1 Listed equity securities

All shares have a nominal face value of Rs. 10 each except for the shares of K-Electric Limited which have a face value of Rs 3.5 each.

Name of the investee company	Number of shares				Market value	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2020	Purchased during the period	Sold during the period	As at December 31, 2020		Total market value of investments	Net assets of the Fund	
REFINERY								
Attock Refinery Limited	-	25,000	-	25,000	4,551	1.02	0.92	2%
National Refinery Limited	-	22,500	-	22,500	7,871	1.77	1.59	3%
					12,422	2.79	2.51	
OIL & GAS EXPLORATION COMPANIES								
Mari Petroleum Company Limited	89,475	2,500	(40,000)	51,975	69,637	15.62	14.08	4%
Oil & Gas Development Company Limited	878,700	187,000	(447,000)	618,700	64,202	14.40	12.98	1%
Pakistan Oilfields Limited	202,341	44,700	(94,900)	152,141	60,158	13.50	12.16	5%
Pakistan Petroleum Limited	1,074,496	208,700	(494,200)	788,996	71,270	15.99	14.41	3%
					265,267	59.51	53.63	
OIL & GAS MARKETING COMPANIES								
Attock Petroleum Limited	44,100	-	-	44,100	14,757	3.31	2.98	4%
Hascol Petroleum Limited	540,001	167,500	(182,500)	525,001	7,712	1.73	1.56	26%
Hi-Tech Lubricants Limited	439,700	70,000	(210,000)	299,700	13,121	2.94	2.65	26%
Pakistan State Oil Company Limited	261,789	37,000	(97,400)	201,389	43,359	9.73	8.77	4%
Shell Pakistan Limited	27,900	-	(5,000)	22,900	6,353	1.43	1.28	-
Sui Northern Gas Pipelines Limited	754,700	21,500	(519,000)	257,200	11,425	2.56	2.31	4%
					96,727	21.70	19.55	
POWER GENERATION & DISTRIBUTION								
K-Electric Limited	1,915,500	-	(385,000)	1,530,500	5,984	1.34	1.21	1%
Nishat Power Limited	71,000	-	(71,000)	-	-	-	-	0%
Lalpir Power Limited	711,000	-	(68,500)	642,500	8,238	1.85	1.67	17%
Hub Power Company Limited	1,027,943	55,000	(363,400)	719,543	57,081	12.83	11.54	6%
					71,303	16.02	14.42	
Total as at December 31, 2020					445,719	100	90.11	
Carrying value as at December 31, 2020					407,360			
Market value as at June 30, 2020					582,638			
Carrying value as at June 30, 2020					601,276			



- 6.2 Investments include shares with market value amounting to Rs 79.663 million (June 30, 2020: Rs 70.263 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 Securities and Exchange Commission of Pakistan, the breakup of which is as follows:

Name of Investee Company	Shares pledged	Market value (Rs. in '000)
The Hub Power Company Limited	100,000	7,933
Mari Petroleum Company Limited	15,000	20,097
Oil & Gas Development Company Limited	100,000	10,377
Pakistan Oilfields Limited	20,000	7,908
Pakistan Petroleum Limited	250,000	22,583
Pakistan State Oil Company Limited	50,000	10,765
		79,663

(Un-audited) December 31, 2020	(Audited) December 31, 2019
--------------------------------------	-----------------------------------

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

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

Market value of securities	445,719	614,858
Less: carrying value of securities	(407,360)	(535,391)
	38,359	79,467

- 6.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the prior year. During the prior period, the CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019.

In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.



Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the prior period were not withheld by the investee companies.

As at December 31, 2020, the following bonus shares of the Fund have been withheld by a company at the time of declaration of bonus shares. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of the company	December 31, 2020		June 30, 2020		
	Bonus Shares		Bonus Shares		
	Number	Value	Number	Value	
		Rs in 000		Rs in 000	
Pakistan State Oil Company Limited	4,805	1,035	4,805	760	
			(Un-audited)	(Audited)	
			December	June 30,	
			31, 2020	2020	
7 PROFIT RECEIVABLE		Note	-----Rupees in 000-----		
Profit receivable on bank balances		7.1	129	172	
7.1	This includes an amount of Rs 0.000026 million (June 30, 2020: Rs 0.1517 million) as profit receivable from BankIslami Pakistan Limited (a related party).				
			(Un-audited)	(Audited)	
			December	June 30,	
			31, 2020	2020	
8 PRELIMINARY EXPENSES AND FLOATATION COSTS			-----Rupees in 000-----		
At the beginning of the period / year			375	830	
Less: amortisation during the period / year			(230)	(455)	
At the end of the period / year			145	375	
8.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund.				
			(Un-audited)	(Audited)	
			December	June 30,	
			31, 2020	2020	
9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			-----Rupees in 000-----		
Security deposits with:					
- National Clearing Company of Pakistan Limited			2,500	2,500	
- Central Depository Company of Pakistan Limited			100	100	
Dividend receivable			1,858	-	
Advance tax			3,004	3,004	
Prepaid listing fee			14	-	
			7,476	5,604	



		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	-----Rupees in 000-----	
10	PAYABLE TO NBP FUND MANAGEMENT LIMITED MANAGEMENT COMPANY		
	Management remuneration payable	590	753
	Sindh sales tax payable on remuneration of the Management Company	77	98
	Federal excise duty payable on remuneration of the Management Company	583	583
	Allocated expenses payable	160	135
	Selling and marketing expenses	2,111	1,950
	Sales load and transfer load payable	1,535	1,275
	Federal excise duty payable on sales load	1,501	1,501
	Sindh sales tax payable on sales load	44	10
	Other payable	16	16
		6,617	6,321

10.1 The Management Company has charged its remuneration at the rate of 1.5% per annum of the average annual net assets from July 1, 2020 to December 31, 2020 (June 30, 2020: 1.5% per annum of the average annual net assets). The remuneration is payable to the Management Company monthly in arrears.

10.2 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 with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from April 19, 2016 till June 30, 2016 amounting to Rs 0.583 million (June 30, 2019: Rs 0.583 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 Rs 0.0110 (June 30, 2020: Rs 0.0083) per unit.



- 10.3** 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).

Accordingly, the Management Company has charged 0.1% of the average annual net assets, and from October 27, 2020 the rate has been revised to 0.15% of the average annual net assets.

- 10.4** Management has charged selling and marketing expenses at the below mentioned rates, duly approved by the Board of Directors of the Management Company:

Effective dates	Applicable rates
From July 1, 2019 till July 11, 2019	0.4% per annum of average daily net assets
From July 12, 2019 till December 16, 2019	1.15% per annum of average daily net assets
From December 17, 2019 till December 31, 2019	1.35% per annum of average daily net assets
From July 1, 2020 till October 30, 2020	1.5% per annum of average daily net assets
From September 1, 2020 till December 31, 2020	1.9% per annum of average daily net assets

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
11	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	----- Rupees in 000 -----
	Trustee remuneration payable	11.1	79
	Sindh sales tax payable on remuneration of the Trustee		10
			<u>89</u>
			<u>100</u>
			<u>113</u>

- 11.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs 1,000 million 0.20% p.a. of net assets
- on an amount exceeding Rs 1,000 million Rs 2.0 million plus 0.10% p.a. of net assets, on amount exceeding Rs 1 billion.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
12	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- Rupees in 000 -----
	Annual fee payable	12.1	53
			<u>110</u>

- 12.1** The Fund has charged SECP fee at the rate of 0.02% per annum of the average annual net assets during the current period, (December 2019: 0.02% per annum of the average annual net assets).



13	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited)	(Audited)
			December 31, 2020	June 30, 2020
			Rupees in 000	
	Auditors' remuneration payable		213	338
	Provision against Sindh Workers' Welfare Fund	13.1	15,306	14,051
	Legal and professional charges payable		16	54
	Bank charges payable		95	52
	Settlement charges payable		63	3
	Withholding tax payable		81	1
	Charity payable	13.2	2,187	1,533
	Capital gain tax payable		121	538
	Brokerage payable		79	-
	Printing charges payable		4	34
	Shari'ah advisor fee payable		42	90
			18,207	16,694

13.1 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 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2020 the net asset value of the Fund as at December 31, 2020 would have been higher by Rs. 0.2894 per unit (June 30, 2020: Rs 0.1992 per unit).

13.2 According to the instructions of the Shari'ah advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes.

During the current period, non Shari'ah compliant income amounting to Rs 0.653 million (December 31, 2019: Rs 0.339 million) was charged in the books of the Fund. This will be distributed as charity after the approval of the Shari'ah advisor. The dividend income is recorded net of charity portion.

14 CONTINGENCIES AND COMMITMENTS

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

15 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.



16 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% net accounting income other than capital gains to the unit holders. 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. Since the Management Company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

17 EARNINGS / (LOSS) PER UNIT

Earnings / (loss) 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.

18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2020 is 4.76% (June 30, 2020: 3.98%) which includes 0.72% (June 30, 2020: 0.25%) representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

19.1 Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, Funds under management of the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

19.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the Trust Deed and Offering Document.

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

	(Un-audited)	
	Half year ended	
	December 31,	
	2020	2019
	----- Rupees in 000 -----	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	3,964	4,288
Sindh sales tax on remuneration of the Management Company	516	557
Sales load	293	152
Allocated expenses	306	279
Selling and marketing expenses	4,303	3,114
Others	1	-



	(Un-audited)	
	Half year ended	
	December 31,	
	2020	2019
	----- Rupees in 000 -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited	529	558
Sindh sales tax on remuneration of the Trustee	69	73
Settlement charges	235	176
Employees of the Management Company		
Units issued - 10,437,344 units		
-(December 31, 2019: 4,982,789 units)	95,548	50,687
Units redeemed - 8,678,890 units		
-(December 31, 2019: 3,145,162 units)	79,752	30,674
Bank Islami Pakistan Limited- Common directorship		
Profit on bank balances	301	1,667
Taurus Securities Limited - Subsidiary of Parent Company		
Brokerage expense	72	55
National Clearing Company of Pakistan Limited		
-Common directorship		
NCCPL charges	173	155
Pakistan Stock Exchange Limited- Common directorship		
Listing fee paid	25	25
	(Un-audited)	(Audited)
	December	June 30,
	31, 2020	2020
	----- Rupees in 000 -----	
19.5 Amounts / balances outstanding as at		
-period / year end are as follows		
NBP Fund Management Limited - the Management Company		
Management remuneration payable	590	753
Sindh Sales Tax payable on remuneration		
of the Management Company	77	98
Federal excise duty payable on remuneration of the		
Management Company	583	583
Allocated expenses payable	160	135
Selling and marketing expenses	2,111	1,950
Sales load and transfer load payable	1,535	1,275
Federal excise duty payable on sales load	1,501	1,501
Sindh sales tax payable on sales load	44	10
Other payable	16	16
Employees of the Management Company		
Units held - 2,689,910 units (June 30, 2020: 930,726 units)	25,156	7,899



	(Un-audited)	(Audited)
	December	June 30,
	31, 2020	2020
	----- Rupees in 000 -----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	79	100
Sindh Sales Tax payable on the remuneration of trustee	10	13
Security deposit	100	100
Settlement charges payable	9	3
Farida Ali Asghar (more than 10% holding)*		
Units held 6,402,160 units (June 30, 2020: Nil units)	59,872	-
Bank Islami Pakistan Limited- Common directorship		
Bank balances	9,001	23,274
Profit receivable	26	152
Portfolio managed by the Management Company		
Units held 344,688 units (June 30, 2020: 344,688 units)	3,223	2,925
National Clearing Company of Pakistan Limited - Common directorship		
NCCPL charges payable	30	53
Security deposit	2,500	2,500

* Prior period balances with these parties have not been disclosed as they were not connected persons and related parties during prior periods.

20 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 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.

20.1 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 that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.



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 -----			
ASSETS			
Investments - financial assets 'at fair value through profit or loss'			
- Listed equity securities			
<u>445,719</u>	<u>-</u>	<u>-</u>	<u>445,719</u>

----- Audited -----			
----- As at June 30, 2020 -----			
Level 1	Level 2	Level 3	Total
----- Rupees in 000 -----			
ASSETS			
Investments - financial assets 'at fair value through profit or loss'			
- Listed equity securities			
<u>582,638</u>	<u>-</u>	<u>-</u>	<u>582,638</u>

21 GENERAL

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

21.2 No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

22 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

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

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpffunds.com

Website: www.nbpffunds.com

 /nbpffunds