

NBP ISLAMIC STOCK 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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

Al Baraka Bank Limited
Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bankislami Pakistan Limited
Dubai Islamic Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank Limited
Silk Bank Limited
Summit Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited



Auditors

KPMG Taseer Hadi & Co.
Sheikh Sultan Trust Buildings,
Ground No. 2 Shaheed Chaudary Aslam Rd,
Civil Lines, Karachi, 75530

Legal Advisor

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

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.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
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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

Multan Office:

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



DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Islamic Stock Fund (NISF)** for the half year ended December 31, 2020.

Fund's Performance

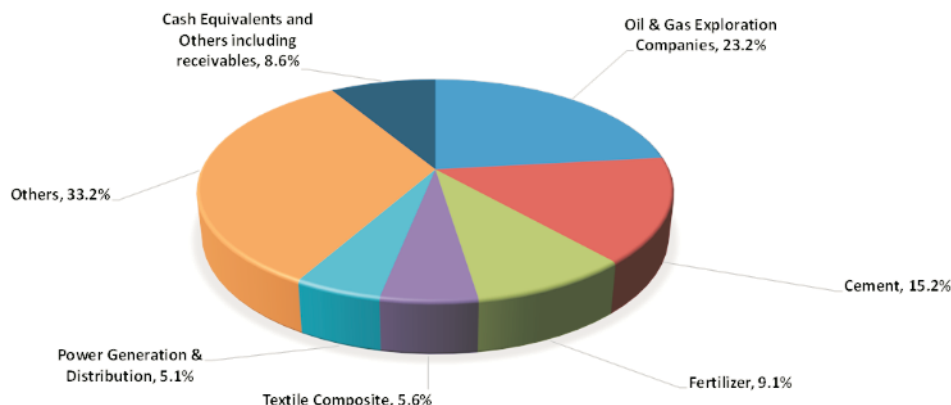
The size of NBP Islamic Stock Fund has increased from Rs. 4,815 million to Rs. 6,978 million during the period, i.e. an increase of 45%. During the period the unit price of NBP Islamic Stock Fund (NISF) has increased from Rs. 9.4633 on June 30, 2020 to Rs. 12.1667 on December 31, 2020, thus showing an increase of 28.6%. The Benchmark (KMI-30 Index) for the same period was increased by 29.4%. Thus, the Fund has underperformed its Benchmark by 0.8% during the period under review. Since inception (January 09, 2015), the unit price of the Fund has shown a growth of 55.1% as compared to 35.7% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 19.4%. 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.

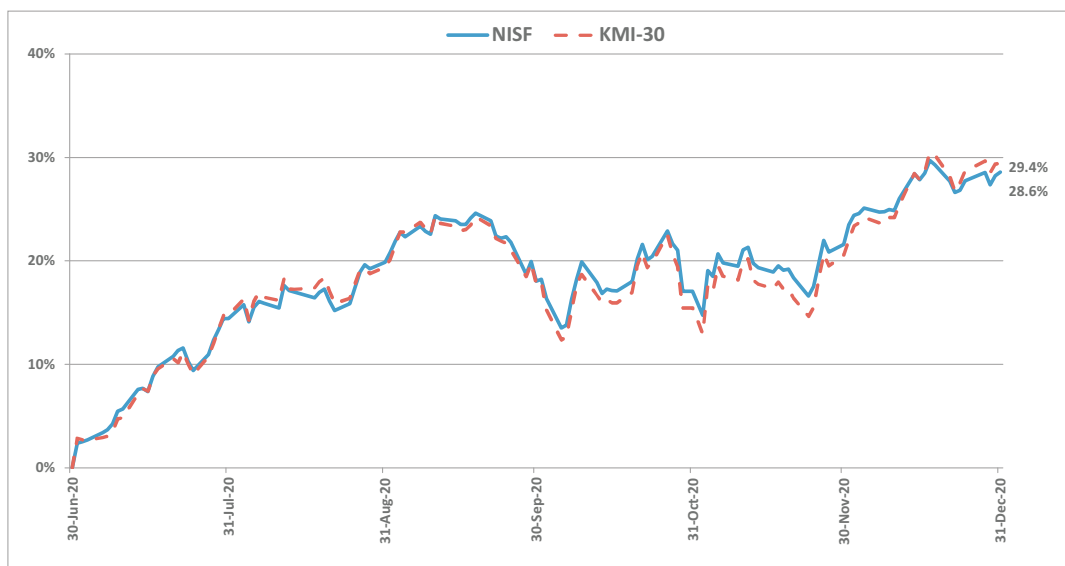
Looking at the sector wise performance of the market, Automobiles, Cable & Elec. Goods, Cements, Engineering, Glass & Ceramics, Paper & Board, Refineries, Technology and Textiles outperformed the market, while Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, Pharmaceuticals, Power 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.

NBP Islamic Stock Fund has earned a total income of Rs. 1,542.51 million during the period. After incurring total expenses of Rs. 150.29 million, the net income is Rs. 1,392.22 million. The asset allocation of the Fund as on December 31, 2020 is as follows:





NISF Performance versus Benchmark (Since Inception)



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 ششماہی کے لئے NBP اسلامک اسٹاک فنڈ (NISF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

موجودہ مدت کے اختتام پر NBP اسلامک اسٹاک فنڈ (NISF) کا سائز 4,815 ملین روپے سے بڑھ کر 6,978 ملین روپے ہو گیا، یعنی 45% کا اضافہ ہوا۔ اس مدت کے دوران، NBP اسلامک اسٹاک فنڈ (NISF) کے یونٹ کی قیمت 30 جون 2020 کو 9.4633 روپے سے بڑھ کر 31 دسمبر 2020 کو 12.1667 روپے ہو گئی، لہذا 28.6% کا اضافہ ہوا۔ اسی مدت کے دوران بیچ مارک (KMI-30 انڈیکس) 29.4% سے زیادہ ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 0.8% کی اہتر کارکردگی کا مظاہرہ کیا۔ اپنے قیام کے وقت (09 جنوری 2015) سے اب تک فنڈ کے یونٹ کی قیمت نے اپنے بیچ مارک میں 35.7% اضافہ کے مقابلے میں 55.1% کی نمو دکھائی۔ لہذا، فنڈ نے اپنے بیچ مارک سے 19.4% کی بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ 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 جیسا کہ بیچ مارک KSE-100 انڈیکس میں 27 فیصد کا اضافہ ہوا۔ کووڈ وائرس کے تناظر میں مارچ 2020 میں ایک یونٹ کی فروخت کے بعد مارکیٹ تیزی سے بحالی کا مظاہرہ کیا۔ مقامی سطح پر ہونے والی سماجی غیر معمولی مالیاتی اور مالی پالیسی کے رد عمل، لاک ڈاؤن کو بتدریج اٹھانے، اور موثر ویکسینوں کی توقع سے قبل آمد کے باعث پیدا ہوئی ہے۔

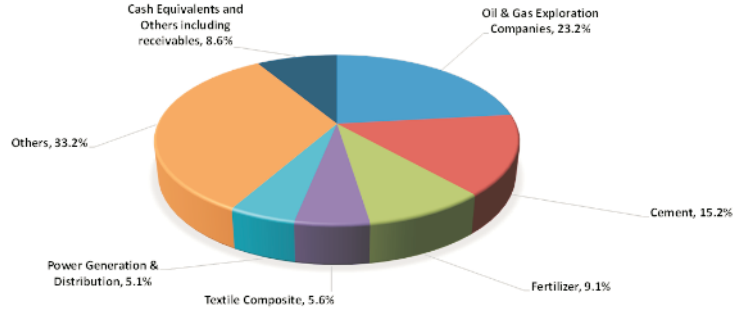
مالی اور مالیاتی محاذوں پر غیر معمولی پالیسی اقدامات نے معیشت کو کووڈ وائرس کے خطرات سے محفوظ دیا۔ اسٹیٹ بینک نے پالیسی شرح میں مجموعی طور پر 6.25 فیصد کمی کی اور قرضوں کی ادائیگیوں میں مدد دینے کے لئے احتیاطی ضوابط میں ترمیم کی اور حکومت نے 1.2 ٹریلین روپے کے ایک محرک پیکیج کا آغاز کیا۔ صحت کی دیکھ بھال کے حوالے سے، جولائی میں بلندی پر پہنچنے کے بعد کووڈ-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 ہندسہ پر آ گیا۔ وبائی محاذ پر بہتری نے معیشت کو دوبارہ کھولنے کی اجازت دی، سپلائی 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 چلنی سطح پر پہنچنے کے بعد کاروباری اعتماد بھی دو سال کی بلند ترین سطح پر پہنچ گیا۔ بیرونی اکاؤنٹ اب تک کووڈ وائرس میں فائدہ مند رہا ہے کیونکہ کارکنوں کی ترسیلات زرنے سالانہ بنیاد پر مالی سال 2021 کی پہلی ششماہی میں 25 فیصد کم نمایاں اضافہ ظاہر کیا ہے۔ نتیجتاً ملک نے مالی سال 2021 کی پہلی ششماہی میں 1.1 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس درج کرایا ہے جبکہ گذشتہ سال کے اسی عرصے میں کرنٹ اکاؤنٹ خسارہ 2.0 بلین 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 پُرکشش قیمتوں نے مارکیٹ کے بڑھنے کو فروغ دیا۔

مارکیٹ کی ٹیکسٹ اور کارکردگی کے تناظر میں، آٹوموبائل، کمیل اور الیکٹریک کا سامان، سپینٹ، انجینئرنگ، شیشہ اور سرکس، کاغذ اور بورڈ، ریٹائزر، ٹیکنالوجی اور ٹیکسٹائل 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 اور سرگرمی کے لحاظ سے، زیر جائزہ مدت کے دوران انفرادی سرمایہ کار 159 ملین امریکی ڈالر کی خالص انفلو 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۔

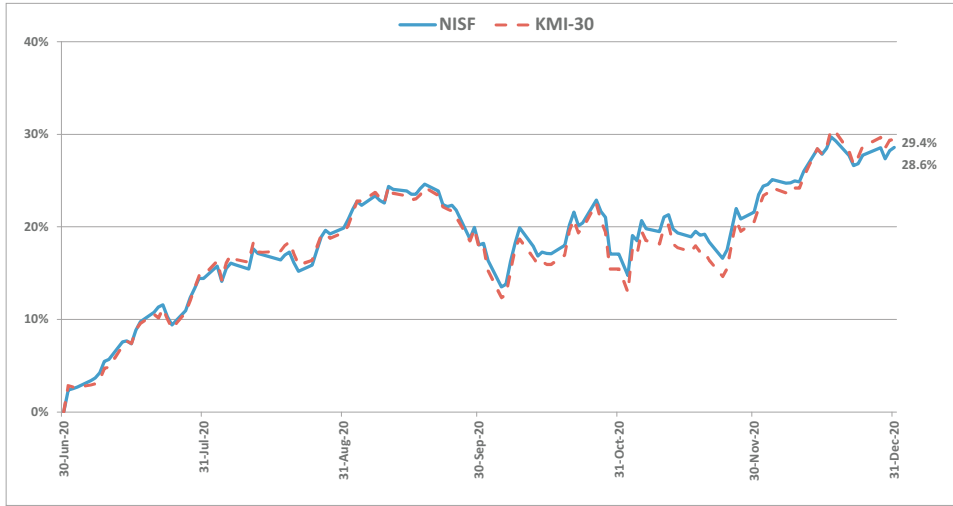
NBP اسلامک اسٹاک فنڈ (NISF) کو اس مدت کے دوران 1,542.51 ملین روپے کی کل آمدنی ہوئی۔ 150.29 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 1,392.22 ملین روپے ہے۔



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



NISF کی کارکردگی بمقابلہ بیچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے بیجمنٹ 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 رٹرنی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تشکر بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ بیجمنٹ 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 Stock 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 Stock Fund** ("the Fund") as at 31 December 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial statements for the six months period then ended (herein-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of these 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 interim financial statements 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 statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for Interim Financial Reporting.

Other matter

The figures for the three months period ended 31 December 2020 and 31 December 2019 in the interim financial statements have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditors' review report is **Amyr Malik**.

Date: February 26, 2021

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants



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

		31 December 2020 Unaudited (Rupees in '000)	30 June 2020 Audited
Assets			
Bank balances	6	553,089	191,363
Investments	7	6,375,582	4,695,290
Receivable against sale of investments		-	10,845
Receivables from funds under management by Management Company against conversion of units		266,340	34,197
Dividend and profit receivable		10,567	1,191
Advance, deposits and prepayment		7,123	7,228
Total assets		7,212,701	4,940,114
Liabilities			
Payable to NBP Fund Management Limited - Management Company	8	44,048	26,435
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	698	541
Payable to the Securities and Exchange Commission of Pakistan	10	599	914
Payable against purchase of investments		73,875	-
Payable against redemption of units		17,603	29,868
Accrued expenses and other liabilities	11	98,259	67,485
Total liabilities		235,082	125,243
Net assets		6,977,619	4,814,871
Unit holders' fund (as per statement attached)		6,977,619	4,814,871
Contingency and commitment	12		
Number of units in issue		573,503,425	508,796,209
Net assets value per unit		12.1667	9.4633

The annexed notes 1 to 17 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 SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2020

	Note	Six months period ended 31 December		Three months period ended 31 December	
		2020	2019	2020	2019
(Rupees in '000)					
Income					
Gain on sale of investments - net		300,291	39,081	125,214	90,524
Profit on bank deposits		9,144	19,910	3,886	11,138
Dividend income		139,403	139,002	107,953	89,264
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	7.2	1,093,671	761,709	331,901	983,321
Total income		1,542,509	959,702	568,954	1,174,247
Expenses					
Remuneration of NBP Fund Management Limited - Management Company	8.1	44,901	32,224	22,347	18,096
Sindh sales tax on remuneration of the Management Company	8.2	5,837	4,189	2,905	2,352
Allocation of expenses relating to registrar services, accounting, operation and valuation services	8.3	3,534	2,107	2,030	1,207
Selling and marketing expenses	8.4	49,228	23,751	26,674	14,331
Remuneration to Central Depository Company of Pakistan Limited - Trustee	9.1	3,497	2,610	1,741	1,459
Sindh Sales Tax on remuneration of Trustee	9.2	455	339	227	189
Annual fee to Securities and Exchange Commission of Pakistan	10	599	421	298	241
Auditors' remuneration		432	364	161	235
Listing fee		14	14	7	7
Charity expense	11.3	5,299	3,435	4,345	3,435
Printing and other charges		102	20	93	19
Securities transaction cost		6,772	6,660	3,340	5,719
Legal and professional charges		83	22	63	13
Settlement and bank charges		657	573	381	166
Shari'ah advisor fee		350	381	176	154
Mutual fund rating fee		119	111	59	55
Total expenses		121,879	77,221	64,847	47,678
Net income from operating activities		1,420,630	882,481	504,107	1,126,569
Provision for Sindh Workers' Welfare Fund	11.1	(28,413)	(17,650)	(10,082)	(17,650)
Net income for the period before taxation		1,392,217	864,831	494,025	1,108,919
Taxation	13	-	-	-	-
Net income for the period after taxation		1,392,217	864,831	494,025	1,108,919
Allocation of net Income for the period:					
Net income for the period		1,392,217	864,831	494,025	1,108,919
Income already paid on units redeemed		(378,616)	(131,211)	(146,784)	(131,211)
		1,013,601	733,620	347,241	977,708
Accounting income available for distribution:					
- Relating to capital gains		1,006,068	667,445	339,708	667,445
- Excluding capital gains		7,533	66,175	7,533	310,263
		1,013,601	733,620	347,241	977,708

The annexed notes 1 to 17 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 SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2020

	Six months period ended 31 December		Three months period ended 31 December	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	1,392,217	864,831	494,025	1,108,919
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,392,217</u>	<u>864,831</u>	<u>494,025</u>	<u>1,108,919</u>

The annexed notes 1 to 17 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 SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2020

	Six months period ended 31 December					
	2020			2019		
	Value	Undistributed loss	Total	Value	Undistributed loss	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period (audited)	6,134,145	(1,319,274)	4,814,871	5,335,425	(1,214,635)	4,120,790
Issue of 522,848,270 units (2019: 322,755,560 units)						
- Capital value	4,947,874	-	4,947,874	2,939,561	-	2,939,561
- Element of income	957,708	-	957,708	240,817	-	240,817
Total proceeds on issuance of units	5,905,582	-	5,905,582	3,180,378	-	3,180,378
Redemption of 458,141,054 units (2019: 262,362,115 units)						
- Capital value	(4,335,524)	-	(4,335,524)	(2,389,515)	-	(2,389,515)
- Element of loss	(420,911)	(378,616)	(799,527)	(7,900)	(131,211)	(139,111)
Total payments on redemption of units	(4,756,435)	(378,616)	(5,135,051)	(2,397,415)	(131,211)	(2,528,626)
Total comprehensive income for the period	-	1,392,217	1,392,217	-	864,831	864,831
Net assets at end of the period	7,283,292	(305,673)	6,977,619	6,118,388	(481,015)	5,637,373
Undistributed loss brought forward						
- Realised		(1,267,733)			(294,637)	
- Unrealised		(51,541)			(919,998)	
		<u>(1,319,274)</u>			<u>(1,214,635)</u>	
Accounting income available for distribution						
- Relating to capital gains		1,006,068			667,445	
- Excluding capital gains		7,533			66,175	
		<u>1,013,601</u>			<u>733,620</u>	
Undistributed loss carried forward		<u>(305,673)</u>			<u>(481,015)</u>	
Undistributed loss carried forward						
- Realised		(1,399,344)			(1,242,724)	
- Unrealised		1,093,671			761,709	
		<u>(305,673)</u>			<u>(481,015)</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>9.4633</u>			<u>9.1077</u>
Net assets value per unit at end of the period			<u>12.1667</u>			<u>10.9923</u>

The annexed notes 1 to 17 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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

	Six months period ended 31 December	
	2020	2019
<i>Note</i>	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,392,217	864,831
Adjustments for:		
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	(1,093,671)	(761,709)
	298,546	103,122
(Increase) / decrease in assets		
Investments	(586,621)	(659,470)
Dividend and profit receivable	(9,376)	809
Receivable against sale of investments	10,845	39,695
Advances, deposits and prepayments	105	(2,923)
	(585,047)	(621,889)
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	17,613	3,044
Payable to the Central Depository Company of Pakistan Limited - Trustee	157	131
Payable to the Securities and Exchange Commission of Pakistan	(315)	(4,880)
Payable against purchase of investment	73,875	87,582
Accrued expenses and other liabilities	30,774	22,960
	122,104	108,837
Net cash used in operating activities	(164,397)	(409,930)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issue of units	5,673,439	3,148,693
Payments against redemption of units	(5,147,316)	(2,525,986)
Net cash generated from financing activities	526,123	622,707
Net increase in cash and cash equivalents during the period	361,726	212,777
Cash and cash equivalents at the beginning of the period	191,363	266,185
Cash and cash equivalents at the end of the period	6 553,089	478,962

The annexed notes 1 to 17 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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Islamic Stock Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 18 November 2014 between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The SECP approved the change of name on 13 May 2019.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of Mutual Fund Association of Pakistan (MUFAP).
- 1.3 The Fund has been categorised as an open ended "Shari'ah compliant equity scheme" by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at Rs. 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 9 January 2015 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of the fund is to provide investors with long-term capital growth from an actively managed portfolio of shari'ah compliant listed equities securities. The investment objectives and policies are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an Asset Manager Rating of AM1 of Management Company and performance ranking of "4 - Star" to the Fund.
- 1.6 The title to the assets of the Fund is held in the name of the Central Depository Company Limited as the Trustee of the Fund.

1.7 Impact of COVID- 19 on the condensed interim 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 30 June 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 STATEMENT OF COMPLIANCE

2.1 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
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, and the NBFC Regulations have been followed.

2.1.1 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last annual financial statements.

2.1.2 These condensed interim financial statements are being submitted to the unit holders as required under Regulation 38 (2) (f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).

2.2 New or amendments / interpretations to existing standards, interpretation and forthcoming requirements

There are certain amendments which are effective from annual period beginning on or after 1 July 2020. These amendments are not likely to have an impact on the Fund's financial position. Therefore these are not stated in this condensed interim financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021:

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:



- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
 - there is no substantive change to the other terms and conditions of the lease.
- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an ‘economically equivalent’ basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.
 - Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
 - Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
 - Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
 - IFRS 17 Insurance Contracts and Amendments to IFRS 17 - In May 2017, the Board issued IFRS 17 Insurance Contracts, which was subsequently amended for clarifications in June 2020. IFRS 17 supersedes IFRS 4 Insurance Contracts. IFRS 17 applies for annual periods beginning on or after 1 January 2023. Early adoption is permitted for entities that apply IFRS 9 Financial Instruments on or before the date of the initial application of IFRS 17. IFRS 4 includes a temporary exemption from IFRS 9 and the overlay approach. From the date of initial application of IFRS 17 - i.e. the beginning of the period in which an entity first applies IFRS 17 - these approaches are no longer available and IFRS 9 is applied, without delay or adjustment.



- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the Board issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to 1 January 2023, aligned with the effective date of IFRS 17.
- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

Annual Improvements to IFRS standards 2018-2020:

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. The Fund shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the condensed interim financial statements of the Fund.
- IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after 1 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated – i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability



under other IFRSs. The standard is not likely to have any effect on Fund's condensed interim financial statements.

The above amendments are effective for annual periods beginning on or after 1 January 2021 and are not likely to have an impact on Fund's condensed interim financial statements.

2.4 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest thousand of rupees except otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund as at and for the year ended 30 June 2020.

4 USE OF ESTIMATES AND JUDGEMENTS

In preparing these condensed interim financial statements, management has made judgement, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the condensed interim financial statements to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment are the same as those that applied to annual financial statements as at and for the year ended 30 June 2020.

5 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2020.

6	BANK BALANCES	Note	2020	2020
			Unaudited	Audited
			(Rupees in '000)	
	In current accounts		25,648	21,322
	In savings accounts	6.1 & 6.2	527,441	170,041
			<u>553,089</u>	<u>191,363</u>

6.1 These accounts carry profit at rates ranging from 3.50% to 7.00% (2020: 7.00% to 14.50%) per annum.

6.2 These include cheques amounting to Rs. nil (30 June 2020: Rs. 6.167 million) issued on account of redemption of units, cheques amounting to Rs. 91.265 million (30 June 2020: Rs. 30.690 million) received on account of issuance of units and transfer forms amounting to Rs 24.141 million received on account of conversion / switching of units between funds managed by the Management Company as per the instructions of unit holders of the respective funds as at period end.

7	INVESTMENTS	Note	31 December	30 June
			2020	2020
			Unaudited	Audited
			(Rupees in '000)	
Financial assets 'at fair value through profit or loss'				
	- Listed equity securities	7.1	<u>6,375,582</u>	<u>4,695,290</u>



7.1 Investment in listed equity securities

All shares have a nominal face value of Rs.10 each except for the shares of Agriauto Industries Limited, Al-Ghazi Tractors Limited, Habib Sugar Mills Limited, Dynea Pakistan Limited NC,

Shabbir Tiles & Ceramics Limited and Thal Limited which have a face value of Rs 5 each and K-Electric Limited which has a face value of Rs 3.5 each.

Name of the Investee Company	As at 01 July 2020	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 31 December 2020	Market value /carrying value as at 31 December 2020	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	(Number of shares)						(Rupees in '000)	(%)		
Automobile assembler										
Honda Atlas Cars (Pakistan) Ltd.	250,500	100,100	-	-	250,500	100,100	32,844	0.47	0.52	0.07
Millat Tractors Limited	78,000	97,800	-	-	6,900	168,900	184,792	2.65	2.90	0.34
Indus Motor Company Limited	8,700	-	-	-	8,700	-	-	-	-	-
	337,200	197,900	-	-	266,100	269,000	217,636	3.12	3.41	
Automobile parts and accessories										
Agriauto Industries Limited	31,200	-	-	-	13,000	18,200	4,263	0.06	0.07	0.06
Baluchistan Wheels Limited	10,500	-	-	-	-	10,500	924	0.01	0.01	0.08
Thal Limited	138,700	-	-	-	44,200	94,500	44,668	0.64	0.70	0.12
	180,400	-	-	-	57,200	123,200	49,855	0.71	0.78	
Cement										
Cherat Cement Company Limited	146,000	88,500	-	-	146,000	88,500	12,938	0.19	0.20	0.05
D.G. Khan Cement Company Limited	337,000	366,000	-	-	391,500	311,500	35,692	0.51	0.56	0.07
Fauji Cement Company Ltd.	3,454,500	2,190,000	-	-	2,256,000	3,388,500	73,429	1.05	1.15	0.25
Kohat Cement Company Limited	1,425,210	226,100	-	-	166,000	1,485,310	325,639	4.67	5.11	0.74
Lucky Cement Limited (refer note 7.1.1)	610,051	281,000	-	-	182,301	708,750	493,354	7.07	7.74	0.22
Maple Leaf Cement Factory Limited	1,797,002	2,142,500	-	-	1,246,500	2,693,002	121,212	1.74	1.90	0.25
	7,769,763	5,294,100	-	-	4,388,301	8,675,562	1,062,264	15.23	16.66	
Chemical										
Engro Polymer & Chemicals Limited	3,771,980	1,873,000	-	-	1,195,000	4,449,980	211,419	3.03	3.32	0.49
I.C.I Pakistan Limited	65,900	16,700	-	-	10,300	72,300	54,955	0.79	0.86	0.08
Lotte Chemical Pakistan Ltd	-	3,530,500	-	-	-	3,530,500	53,169	0.76	0.83	0.23
Dynea Pakistan Limited NC	17,500	-	-	-	-	17,500	3,603	0.05	0.06	0.09
	3,855,380	5,420,200	-	-	1,205,300	8,070,280	323,146	4.63	5.07	
Commercial banks										
Meezan Bank Limited	3,276,930	385,500	333,743	-	1,112,500	2,883,673	301,171	4.32	4.72	0.20
Engineering										
Amreli Steels Limited	1,711,000	-	-	-	1,140,500	570,500	27,532	0.39	0.43	0.19
International Steels Ltd	512,000	-	-	-	512,000	-	-	-	-	-
Ittefaq Iron Industries	2,514,500	-	-	-	2,514,500	-	-	-	-	-
Mughal Iron and Steel Industries Limited (refer note 7.1.2)	1,642,823	734,000	-	-	740,000	1,636,823	123,957	1.78	1.94	0.65
Agha Steel Industries Limited	-	2,297,000	-	-	-	2,297,000	90,525	1.30	1.42	0.40
	6,380,323	3,031,000	-	-	4,907,000	4,504,323	242,014	3.47	3.80	
Investment banks / investment company / securities company										
Dawood Hercules Corporation Limited	12,000	-	-	-	12,000	-	-	-	-	-
Fertilizer										
Engro Corporation Limited	1,522,098	711,772	-	-	516,200	1,717,670	527,943	7.57	8.28	0.30
Engro Fertilizers Limited	3,380,000	225,000	-	-	1,863,000	1,742,000	110,147	1.58	1.73	0.13
	4,902,098	936,772	-	-	2,379,200	3,459,670	638,090	9.15	10.01	
Food and personal care products										
Al Shaheer Corporation Limited (refer note 7.1.2)	1,062,422	-	-	-	1,044,044	18,378	286	-	-	0.01
Al-Tahur Limited	1,849,402	80,840	-	-	1,849,402	80,840	1,630	0.02	0.03	0.05
	2,911,824	80,840	-	-	2,893,446	99,218	1,916	0.02	0.03	



Name of the Investee Company	As at 01 July 2020	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 31 December 2020	Market value /carrying value as at 31 December 2020	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	(Number of shares)						(Rupees in '000)	(%)		
Glass and ceramics										
Shabbir Tiles & Ceramics Limited	26,500	5,107,000	-	-	-	5,133,500	109,087	1.56	1.71	2.15
Tariq Glass Industries Limited	1,151,700	-	-	-	186,000	965,700	84,769	1.21	1.33	0.88
Ghani Global Glass Limited NC	66,500	-	-	-	66,500	-	-	-	-	-
Ghani Value Glass Limited NC	8,500	-	-	-	8,500	-	-	-	-	-
	1,253,200	5,107,000	-	-	261,000	6,099,200	193,856	2.77	3.04	
Oil & gas exploration company										
Mari Petroleum Company Limited	339,414	11,700	-	-	22,920	328,194	439,721	6.30	6.90	0.25
Oil & Gas Development Company Limited (refer note 7.1.1)	2,997,477	1,578,000	-	-	277,000	4,298,477	446,053	6.39	7.00	0.10
Pakistan Oilfields Limited (refer note 7.1.1)	601,475	133,175	-	-	169,600	565,050	223,426	3.20	3.50	0.20
Pakistan Petroleum Limited (refer note 7.1.1)	4,520,592	1,817,500	-	-	676,000	5,662,092	511,457	7.33	8.02	0.21
	8,458,958	3,540,375	-	-	1,145,520	10,853,813	1,620,657	23.22	25.42	
Oil & gas marketing company										
Attock Petroleum Limited	33,950	38,100	-	-	7,900	64,150	21,467	0.31	0.34	0.06
Hascol Petroleum Limited (refer note 7.1.2)	1,583	-	-	-	-	1,583	23	-	-	-
Pakistan State Oil Company Limited (refer note 7.1.1 & 7.1.2)	701,953	640,500	-	-	288,000	1,054,453	227,024	3.25	3.56	0.22
Sui Northern Gas Pipelines Limited	2,241,200	581,500	-	-	1,693,500	1,129,200	50,159	0.72	0.79	0.18
Shell Pakistan Limited NC	3,300	-	-	-	3,300	-	-	-	-	-
	2,981,986	1,260,100	-	-	1,992,700	2,249,386	298,673	4.28	4.68	
Paper & board										
Cherat Packaging Ltd.	59,515	-	-	-	59,515	-	-	-	-	-
Packages Limited	126,100	-	-	-	92,500	33,600	20,057	0.29	0.31	0.04
Roshan Packages Limited NC	874,500	2,003,000	-	-	744,000	2,133,500	90,674	1.30	1.42	1.50
	1,060,115	2,003,000	-	-	896,015	2,167,100	110,731	1.59	1.74	
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	4,950	-	-	-	4,950	-	-	-	-	-
Ferozsons Laboratories Limited	48,000	-	-	-	48,000	-	-	-	-	-
GlaxoSmithKline Pakistan Limited	300,200	60,700	-	-	44,600	316,300	60,676	0.87	0.95	0.10
The Searle Company Limited (refer note 7.1.2)	502,517	71,500	-	82,209	133,100	523,126	130,379	1.87	2.04	0.22
AGP Limited	-	509,000	-	-	-	509,000	57,965	0.83	0.91	0.18
	855,667	641,200	-	82,209	230,650	1,348,426	249,020	3.57	3.91	
Power generation & distribution										
K-Electric Ltd	3,133,000	-	-	-	3,045,000	88,000	344	-	0.01	-
The Hub Power Company Limited (refer note 7.1.1)	5,212,870	261,000	-	-	1,035,052	4,438,818	352,131	5.05	5.52	0.34
	8,345,870	261,000	-	-	4,080,052	4,526,818	352,475	5.05	5.53	
Sugar & allied industries										
Faran Sugar Mills Limited	327,500	-	-	-	-	327,500	13,847	0.20	0.22	1.31
Habib Sugar Mills Limited	250,500	-	-	-	-	250,500	8,494	0.12	0.13	0.17
	578,000	-	-	-	-	578,000	22,341	0.32	0.35	
Technology and communication										
Avanceon Limited (refer note 7.1.2)	11,369	-	-	-	-	11,369	1,056	0.02	0.02	0.01
NetSol Technologies Limited	17,400	-	-	-	17,400	-	-	-	-	-
System Limited	556,150	120,000	-	-	121,500	554,650	232,526	3.33	3.65	0.45
TPL Trakker Limited	-	948,000	-	-	948,000	-	-	-	-	-
	584,919	1,068,000	-	-	1,086,900	566,019	233,582	3.35	3.66	



Name of the Investee Company	As at 01 July 2020	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 31 December 2020	Market value /carrying value as at 31 December 2020	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held	
	(Number of shares)						(Rupees in '000)	(%)			
Textile composite											
Interloop Limited	1,197,662	926,000	-	-	226,500	1,897,162	129,137	1.85	2.03	0.22	
Kohinoor Textile Mills Limited (refer note 7.1.2)	431,533	979,400	-	-	-	1,410,933	96,254	1.38	1.51	0.47	
Nishat Mills Limited (refer note 7.1.1)	2,018,800	366,000	-	-	785,500	1,599,300	162,761	2.33	2.55	0.45	
	3,647,995	2,271,400	-	-	1,012,000	4,907,395	388,152	5.56	6.09		
Transport											
Pakistan National Shipping Corporation Limited	17,000	152,200	-	-	15,500	153,700	14,048	0.20	0.22	0.12	
Vanaspati & allied industries limited											
Unity Foods Limited	-	1,767,000	-	-	110,000	1,657,000	53,123	0.76	0.83	0.17	
Miscellaneous											
EcoPack Limited (refer note 7.1.2)	2,291	-	-	-	-	2,291	75	-	-	0.01	
Synthetic Products Enterprises Limited (refer note 7.1.2)	766,904	-	-	-	703,500	63,404	2,757	0.04	0.05	0.07	
	769,195	-	-	-	703,500	65,695	2,832	0.04	0.05		
Total - 31 December 2020	58,178,823	33,417,587	333,743	82,209	28,754,884	63,257,478	6,375,582	91.36	100.00		
Carrying value before fair value adjustment as at 31 December 2020							<u>5,281,911</u>				

7.1.1 Investments include shares with market value of Rs. 500.83 million (30 June 2020: Rs. 439.42 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

7.1.2 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has led a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) have withheld the shares equivalent to 5% of bonus announcement amounting to Rs. 4.912 million (30 June 2020: Rs. 3.202 million) and not deposited in CDC account of department of Income Tax.

7.2 Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	Note	31 December 2020	31 December 2019
		Unaudited (Rupees in '000)	
Market value of securities	7.1	6,375,582	5,321,201
Less: carrying value of investments		(5,281,911)	(4,559,492)
		<u>1,093,671</u>	<u>761,709</u>



8	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	31 December	30 June
			2020	2020
			Unaudited	Audited
			(Rupees in '000)	
	Remuneration of the Management Company	8.1	7,992	5,954
	Sindh Sales Tax on the remuneration of the Management Company	8.2	1,039	774
	Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	2,031	1,133
	Selling and marketing expenses	8.4	26,674	16,313
	Sales and transfer load payable to Management Company		5,528	1,983
	Sindh Sales Tax on sales load	8.2	719	258
	Other payable		65	20
			44,048	26,435

8.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on 25 November 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 2% of average annual net assets. The Management Company has charged its remuneration at the rate of 2% of the average annual net assets of the Fund till 11 July 2019 and with effective from 12 July 2019 the Management Company has revised its remuneration rate and charged it at the rate of 1.5% of the average annual net assets of the Fund.

8.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2011. During the period, Sindh Sales Tax at the rate of 13% (30 June 2020: 13%) was charged on management remuneration and sales load.

8.3 In accordance with clause 60(s) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 the management company is allowed to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Fund or actual whichever is less" from the mutual funds managed by it. On 20 June 2019 SECP vide S.R.O 639(I)/2019, has substituted clause (s) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.1% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services. The Management Company charged 0.1% of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services upto 26 October 2020, thereafter increasing the charges to 0.15%.

8.4 As per Circular 5 of 2018 dated 4 June 2018 issued by SECP, the Asset Management Company was entitled to charge selling and marketing expense to Collective Investment Scheme upto 0.4% per annum of net assets of Fund or actual expenses whichever is lower for initial three years. Circular 11 of 2019 dated 5 July 2019, issued by SECP superseded the above stated Circular and has revised the conditions and waived capping for charging selling and marketing expense. During the period, the Management Company charged 1.5% of average daily net assets on account selling and marketing expenses upto 26 October 2020, thereafter increasing the charges to 1.9%.



9	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	<i>Note</i>	31 December	30 June
			2020	2020
			Unaudited	Audited
			(Rupees in '000)	
	Trustee remuneration	9.1	618	479
	Sindh sales tax on trustee remuneration	9.2	80	62
			698	541

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund which is as follows:

Net assets	Tariff per annum
Upto Rs. 1,000 million	0.20% per annum of net assets,
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million.

The remuneration is paid to the Trustee monthly in arrears.

9.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2015. During the period, Sindh Sales Tax at the rate of 13% (30 June 2020: 13%) was charged on trustee remuneration.

10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme categorized as an equity scheme is required to pay an annual fee to Securities and Exchange Commission of Pakistan, an amount equal to 0.02% per annum of the average net assets of the Fund. The fee is paid annually in arrears.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	31 December	30 June
			2020	2020
			Unaudited	Audited
			(Rupees in '000)	
	Provision for Sindh Worker's Welfare Fund	11.1	72,853	44,440
	Federal Excise Duty on management remuneration	11.2	8,209	8,209
	Federal Excise Duty on sales load		2,327	2,327
	Auditors' remuneration payable		364	408
	Brokerage payable		994	895
	Settlement and bank charges		222	89
	Legal fee		73	86
	Shari'ah advisor fee payable		353	671
	Charity payable	11.3	9,652	9,203
	Withholding tax payable		218	182
	Capital gain tax payable		2,986	973
	Payable against printing charges		8	2
			98,259	67,485



- 11.1** The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honorable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. MUFAP reviewed the issue and based on an opinion decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds and considering the legal opinion obtained on these matters, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against the Federal WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and
- the provision in respect of Sindh WWF should be made on 12 January 2017 with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from 21 May 2015).

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 01 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds. Accordingly the fund has recorded the adjustments on 12 January 2017. Thereafter, the provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.1270 per unit (2020: Rs 0.0873 per unit).

- 11.2** The status of Federal Excise Duty (FED) is same as disclosed in annual financial statements for the year ended 30 June 2020. Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 8.209 million (30 June 2020: Rs. 8.209 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.0143 (30 June 2020: Rs. 0.0161) per unit.

- 11.3** This represents the haram portion of the dividend income determined on the rates specified by Shariah advisor.

12 CONTINGENCY AND COMMITMENT

There was no other contingency and commitment as at 31 December 2020 (30 June 2020: Nil).

13 TAXATION

- 13.1** 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 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% of the 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 its accounting income as per its distribution policy for the year ending 30 June 2021 if require to ensure the compliance of this clause. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

13.2 Income already paid on redemption of units

Distribution of income by collective investment schemes includes (a) the income already distributed upon redemption of units and (b) the amount of income distributed by way of cash dividend.

Open end mutual funds continuously offer issuance and redemption of units at prevailing Net Assets Value (NAV) applicable at the time of offer and redemption. The unit-holder who invests in the open end mutual fund during the year and redeems during the same year has effectively taken his due share of income for the year and the differential amount (proceeds received less original investment) is and should be treated as "distribution of profit". In case of unit holder who existed at the beginning of the year and makes redemption during the year, the amount representing his due share of income from the current year's income is and should be considered as "distribution of profit".

In few mutual funds, the said exemption has been denied by the Additional Commissioner – Audit (AC), on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income as per criteria envisaged under Clause 99 of Part 1 of the Second Schedule of the Ordinance and AC due to this, commented that the distribution by the Fund fell short of 90% distribution threshold.

In response to the order, the management filed appeal with Commissioner Appeal office. In his judgment, the Commissioner Appeals upheld Assessment Order passed by AC. The Fund has now initiated appeal in Appellate Tribunal, which is pending adjudication.

Meanwhile, the management filed petition for stay in High Court of Sindh (SHC), and stay order has been granted by SHC. In its judgment, SHC held that since the subject matter is pending before Appellate Tribunal, therefore, the recovery of impugned demand will not be enforced till the final decision of Tribunal.

Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and management is hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open end mutual fund. SECP agrees with MUFAP's interpretation and is also actively following up with FBR to resolve the matter at the earliest.

Based on the opinion of the tax advisor, the management believes that the fund has distributed required amount of income to be eligible for tax exemption under clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance, 2001 and hence, no provision for taxation is required to be made in the financial statements.

14 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is 4.84% per annum. Total expense ratio (excluding government levies) is 3.66% per annum.

15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.



- 15.2** The transactions with connected persons are in the normal course of business, at contracted and terms determined in accordance with market rates.
- 15.3** Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust of Deed.
- 15.5** The details of significant transactions and balances with connected persons at period end except those disclosed elsewhere in these financial statements are as follows:

15.6 Transactions during the period:

	(Un-audited)	
	Six months period ended	
	2020	2019
	------(Rupees in '000)-----	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	44,901	32,224
Sindh sales tax on remuneration of the Management Company	5,837	4,189
Accounting and operational expenses	3,534	2,107
Selling and marketing expenses	49,228	23,751
Sales load and transfer load	11,517	6,245
Sales tax on sales load and transfer load	1,497	812
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	3,497	2,610
Sindh sales tax on remuneration of the Trustee	455	339
Employees of the Management Company		
Issue of 62,426,652 units (2019: 21,516,219 units)	699,853	203,865
Redemption of 56,577,492 units (2019: 18,059,531 units)	632,995	175,068
Taurus Securities Limited		
Brokerage expense	353	381
Bank Islami Pakistan Limited		
Profit on bank deposits	1,989	7,799
The Hub Power Company Limited		
Shares purchased: 261,000 (2019: 1,589,500 shares)	21,378	129,543
Shares sold: 1,035,000 (2019: 1,303,500 shares)	83,341	104,064
Dividend income	17,411	-
International Steels Limited		
Shares purchased: Nil (2019: 1,321,000 shares)	-	65,920
Shares sold: 512,000 (2019: 990,900 shares)	36,706	44,260
Dividend income	-	430
Portfolio managed by Management Company		
Units issued : 6,069,344 (2019: 6,220,044) units	71,165	64,766
Units redeemed : 9,944,075 (2019: 556,856) units	108,167	5,061



	(Un-audited)	
	Six months period ended	
	2020	2019
	------(Rupees in '000)-----	
National Clearing Company of Pakistan Limited		
NCCPL charges	346	377
Pakistan Stock Exchange Limited		
Listing fee paid	25	25
National Bank of Pakistan		
Markup on bank deposit	-	15
CDC Trustee NBP Islamic Sarmaya Izafa Fund		
Purchase of equity securities: 671,500 (2019: nil)	47,740	-
	31 December	30 June
	2020	2020
	Unaudited	Audited
15.7 Balances as at period / year end are as follows:	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Remuneration payable to the Management Company	7,992	5,954
Sindh sales tax payable on remuneration of the Management Company	1,039	774
Accounting and operational charges	2,031	1,133
Selling and marketing expenses	26,674	16,313
Sales and transfer load payable	5,528	1,983
Sindh sales tax payable on sales load	719	258
Other payable	65	20
Employees of the Management Company		
Units held 13,510,287 units (30 June 2020: 7,666,693 units)	164,376	72,552
Rohma Amjad		
Units held 1,553 units (30 June 2020: 1553 units)	19	15
National Fullerton Asset Management Limited - Employees Provident Fund		
Units held 114,845 units (30 June 2020: 114,845 units)	1,397	1,087
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	618	479
Sindh sales tax payable	80	62
Security deposit	103	103
National Bank of Pakistan		
Bank balances	3,009	3,617



	31 December 2020 Unaudited	30 June 2020 Audited
	(Rupees in '000)	
Bank Islami Pakistan Limited		
Bank balances	212,699	161,350
Profit receivable	359	768
Cherat Packaging Limited *		
Shares held: nil (30 June 2020: 59,514)	-	6,972
International Steels Limited		
Shares held: nil (30 June 2020: 512,000 shares)	-	26,445
Taurus Securities Limited		
Brokerage payable	7	70
National Clearing Company of Pakistan Limited		
Security deposit	2,530	2,530
NCCPL charges payable	55	53
The Hub Power Company Limited		
Shares held : 4,438,818 (2020: 5,212,870)	352,131	377,933
Portfolio managed by Management Company		
Units held: 8,643,455 (2020:10,771,430 units)	105,162	101,933

* Current balances with this party has not been disclosed as it did not remain connected person and related party as at the period end.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurement' requires the Fund to classify fair value measurements 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:



- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		31 December 2020						
		Carrying amount			Fair value			
		At fair value through profit and loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		----- (Unaudited) -----						
		----- (Rupees in '000) -----						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment								
- Equity securities - listed		6,375,582	-	6,375,582	6,375,582			6,375,582
		6,375,582	-	6,375,582				
Financial assets not measured at fair value								
		16.1						
Bank balances		-	553,089	553,089				
Receivable from funds under management by Management Company against conversion of units		-	266,340	266,340				
Receivable against sale of units		-	-	-				
Dividend and profit receivables		-	10,567	10,567				
Deposits		-	2,633	2,633				
		-	832,629	832,629				
Financial liabilities not measured at fair value								
		16.1						
Payable to NBP Fund Management Limited - Management Company		-	44,048	44,048				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	698	698				
Payable against purchase of investments		-	73,875	73,875				
Payable against redemption of units		-	17,603	17,603				
Accrued expenses and other liabilities		-	11,666	11,666				
		-	147,890	147,890				



30 June 2020

Carrying amount			Fair value			
At fair value through profit and loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Audited) -----						
----- (Rupees in '000) -----						

On-balance sheet financial instruments

Financial assets measured at fair value

Investments

- Equity securities - listed	4,695,290	-	4,695,290	4,695,290		4,695,290
	4,695,290	-	4,695,290			

Financial assets not measured at fair value

Bank balances	-	191,363	191,363			
Receivable against sale of investments	-	10,845	10,845			
Dividend and profit receivables	-	1,191	1,191			
Deposits	-	2,633	2,633			
Receivable from funds under management by Management Company against conversion of units		34,197	34,197			
	-	240,229	240,229			

Financial liabilities not measured at fair value

Payable to NBP Fund Management Limited - Management Company	-	26,435	26,435			
Payable to Central Depository Company of Pakistan Limited - Trustee	-	541	541			
Accrued expenses and other liabilities	-	11,354	11,354			
Payable against redemption of units		29,868	29,868			
	-	68,198	68,198			

16.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

16.2 Financial instruments not measured at FVTPL include net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these condensed interim financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.



17 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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