

NBP ISLAMIC REGULAR INCOME FUND



QUARTERLY REPORT
MARCH 31, 2021



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
Ms. Mehnaz Salar	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
Mr. Saad Amanullah Khan	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Syed Hasan Irtiza Kazmi	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

MCB Bank Limited
Meezan Bank Limited
Bank Al Habib Limited
National Bank of Pakistan
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Silk Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Al Baraka Bank of Pakistan



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 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.nbp funds.com

Lahore Office:

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

Islamabad Office:

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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 unaudited financial statements of **NBP Islamic Regular Income Fund (NIRIF)** for the period ended March 31, 2021.

Fund's Performance

The size of NBP Islamic Regular Income Fund has increased from Rs. 110 million to Rs. 134 million during the period, i.e., an increase of 22%. During the period, the unit price of NBP Islamic Regular Income Fund has increased from Rs. 8.4379 on June 30, 2020 to Rs. 9.9290 on March 31, 2021, thus showing an increase of 17.7%. The Benchmark for the same period was increased by 26.2%. Thus, the Fund has underperformed its Benchmark by 8.5% during the period under review. Since inception, the unit price of NBP Islamic Regular Income Fund has increased from Rs. 9.4751 (Ex-Div) on October 31, 2018 to Rs. 9.9290 on March 31, 2021, thus showing an increase of 4.8%. The Benchmark for the same period was increased by 12.9%. Thus, the Fund has underperformed its Benchmark by 8.1% during the period under review. This performance is net of management fee and all other expenses.

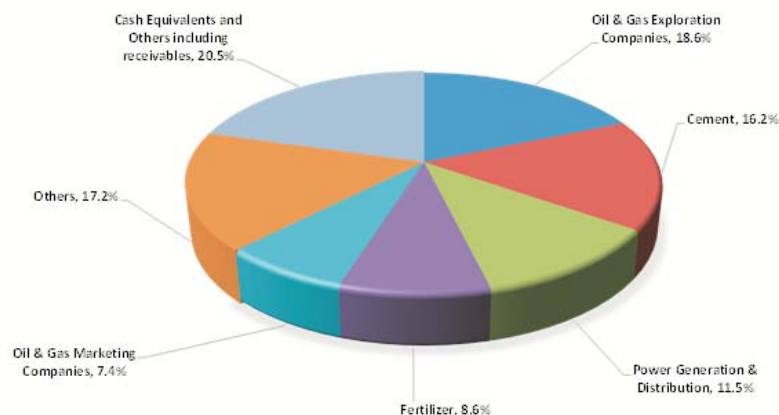
During 9MFY21, the stock market (KMI-30 Index) delivered robust return of 32.8%. This sharp market recovery was driven by attractive stock market valuations; earlier than expected lifting of business restrictions and the resultant sharp economic recovery; development of effective vaccines; and well-coordinated and decisive policy response by the monetary and fiscal authorities.

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 that allowed re-opening of the economy. The economic recovery picked-up steam as reflected by the frequently released economic data such as cement dispatches, retail fuels sales and automobile sales volume. On the policy response fronts, SBP slashed the Policy Rate by a cumulative 6.25% in a short span of time and government announced a Rs. 1.2 trillion stimulus package, equivalent to 2.8% of the GDP, which included relief for all sectors of the society including the under privileged, businesses, and the industries. External account also remained beneficiary of the Coronavirus pandemic thanks to a robust 24% growth in remittances during 8MFY21. The country posted a current account surplus of USD 881 million during 8MFY21 versus a Current Account Deficit (CAD) of USD 2.7 billion in the comparative period last year. The Extended Fund Facility (EFF) with the International Monetary Fund (IMF) that was put on hold in April last year, finally resumed, and as a result the central bank secured the IMF tranche of around USD 500 million. The resumption of IMF program allowed the country to borrow USD 2.5 billion by issuing Eurobonds in the international debt market.

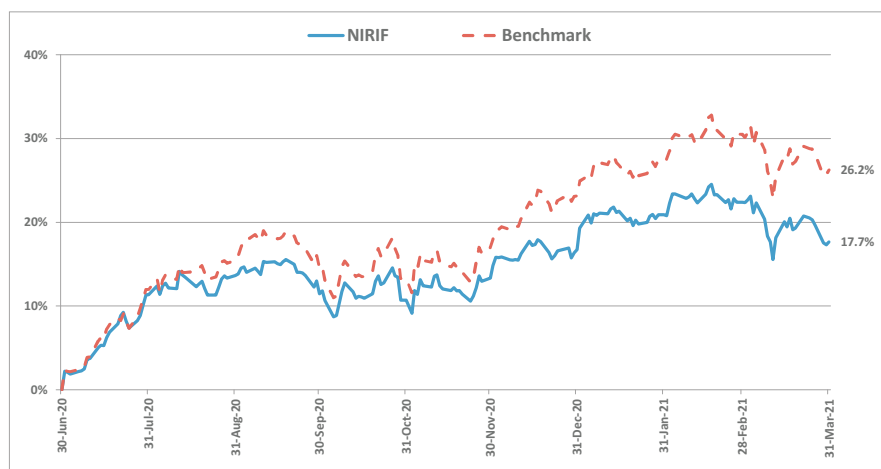
The rally at the local bourse picked up steam during 1QFY21 as value money entered the stock market. Robust economic recovery and strong earnings growth also lifted market sentiment. However, rising noise in the domestic politics surrounding the senate elections led to elevated market volatility and subdued market performance during 3QFY21. Overall, the market (KMI-30 Index) delivered a robust 32.8% return during 9MFY21. In terms of sectoral performance, Auto Assemblers, Cements, Chemicals, Engineering, Glass & Ceramics, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Refinery, Technology, and Textile Composite sectors performed better than the market. On the contrary, Auto Parts & Accessories, Commercial Banks, Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, and Pharmaceuticals sectors lagged behind. On participants-wise market activity, Individuals, Companies, and Insurance Companies stood as main buyers in the market, with net inflows amounting to USD 248 million, USD 118 million and USD 53 million, respectively. On the other hand, Foreign Investors and Banks/DFIs were large sellers with net outflows of around USD 295 million and USD 91 million, respectively.

On the income side, trading activity in corporate sukuks remained subdued during the period. The cumulative traded value stood at Rs. 15.5 billion versus Rs. 18.7 billion in the same period last year. During 9MFY21, the State Bank of Pakistan (SBP) held four Monetary Policy Committee (MPC) meetings wherein the benchmark Policy Rate was left unchanged at 7%. Sovereign yields responded to these monetary policy actions, and inflation & interest rate outlook.

The Fund has earned Rs. 22.468 million during the period. After accounting for total expenses of Rs. 3.073 million, the net Income is Rs. 19.395 million. The asset allocation of the Fund as on March 31, 2021 is as follows:



NIRIF 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: **April 30, 2021**
Place: Karachi.



ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2021ء کو ختم ہونے والی نو ماہی کے لئے NBP اسلامک ریگولر انکم فنڈ (NIRIF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک ریگولر انکم فنڈ (NIRIF) کا سائز 110 ملین روپے سے بڑھ کر 134 ملین روپے ہو گیا ہے یعنی 22% کا اضافہ۔ زیر جائزہ مدت کے دوران، NBP اسلامک ریگولر انکم فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 8.4379 روپے سے بڑھ کر 31 مارچ 2021 کو 9.9290 روپے ہو گئی، لہذا 17.7% کا اضافہ ظاہر کیا۔ فنڈ کا بیج مارک اسی مدت میں 26.2% زیادہ ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیج مارک سے 18.5% بڑھ کر کارکردگی دکھائی۔ 31 اکتوبر 2018 کو اپنے قیام کے وقت سے NBP اعتماد اسلامک ریگولر انکم فنڈ کے یونٹ کی قیمت 9.4751 روپے سے بڑھ کر 31 مارچ 2021 کو 9.9290 روپے ہو چکی ہے اور اس طرح 4.8% کا اضافہ ہوا۔ فنڈ کا بیج مارک اسی مدت میں 12.9% زیادہ ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیج مارک سے 18.1% بڑھ کر کارکردگی دکھائی۔ یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 21 کی نو ماہی کے دوران، اسٹاک مارکیٹ (KMI-30 انڈیکس) نے 32.8 فیصد کی مضبوط ریٹرن ظاہر کی۔ مارکیٹ میں تیز ترین بحالی اسٹاک مارکیٹ کی پرکشش قیمتوں، توقع سے پہلے کاروباری پابندیوں کے خاتمے اور اس کے نتیجے میں تیز معاشی بحالی، موثر ویکسینوں کی تیاری، اور مانیٹری اور مالیاتی حکام کی طرف سے اچھی طرح مربوط اور فیصلہ کن پالیسی رد عمل کی وجہ سے حاصل ہوئی۔

جولائی میں بلندی پر پہنچنے کے بعد کوویڈ 19 کے فعال کیسز میں نمایاں کمی؛ اموات کی شرح میں تیزی سے کمی اور انفیکشن تناسب بھی کم ہو کر واحد ہندسے پر آ گیا جس نے معیشت کو دوبارہ کھولنے کی اجازت دی۔ معاشی بحالی کی رفتار سبب کی ترسیل، خوردہ ایندھن کی فروخت اور آٹوموبائل کے فروخت حجم کے اکثر جاری کردہ معاشی اعداد و شمار سے ظاہر ہوتی ہے۔ پالیسی سازی کے تناظر میں، اسٹیٹ بینک آف پاکستان نے قلیل مدت میں پالیسی شرح کو مجموعی طور پر 6.25 فیصد تک کم کر دیا اور حکومت نے ایک 1.2 ٹریلین روپے کے محرک چیک کا اعلان کیا، جو جی ڈی پی کے 2.8 فیصد کے مساوی ہے، جس میں معاشرے کے تمام شعبوں کو ریلیف دیا گیا ہے جن میں بیس ماندہ افراد، کاروبار اور صنعتیں شامل ہیں۔ 8MFY21 کے دوران وبائی مرض کرونا وائرس کے بدولت بیرونی اکاؤنٹ پر مثبت اثر ہوا اور ترسیلات زر میں 24 فیصد اضافہ ہوا۔ ملک نے گزشتہ سال کے تقابلی دورانیہ میں 2.7 ملین امریکی ڈالر کے کرنٹ اکاؤنٹ خسارہ (CAD) کے مقابلے میں 8MFY21 کے دوران 881 ملین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس درج کیا ہے۔ بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ توسیعی فنڈ کی سہولت (EFF) جسے پچھلے سال اپریل میں روک دیا گیا تھا، آخر کار دوبارہ شروع ہو گئی، اور اس کے نتیجے میں مرکزی بینک نے آئی ایم ایف سے قریباً 500 ملین ڈالر کی رقم حاصل کی۔ آئی ایم ایف پروگرام کے دوبارہ آغاز سے بین الاقوامی ڈیٹ مارکیٹ میں یورو بانڈز جاری کر کے ملک کو 2.5 ارب ڈالر قرض لینے کا موقع ملا۔

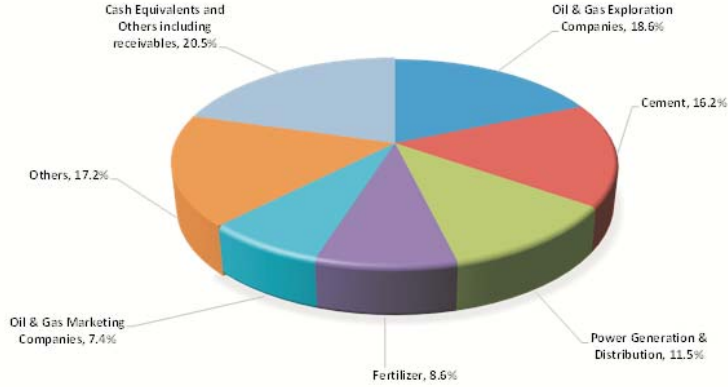
مالی سال 21 کی پہلی سہ ماہی کے دوران مقامی اسٹاک مارکیٹ کی بحالی میں تیزی آئی کیونکہ اسٹاک مارکیٹ میں قابل قدر رقم داخل ہو گئی۔ مضبوط معاشی بحالی اور مضبوط آمدنی میں اضافے نے بھی مارکیٹ کے جذبات کو ابھارا۔ تاہم، سینیٹ انتخابات کے گرد مقامی سیاست میں بڑھتے ہوئے شوکی وجہ سے مارکیٹ میں اتار چڑھاؤ زیادہ ہوا اور 3QFY21 کے دوران مارکیٹ کی کارکردگی میں کمی ہوئی۔ مجموعی طور پر، 9MFY21 کے دوران مارکیٹ (KMI-30) نے 32.8 فیصد کی مضبوط ریٹرن ظاہر کی۔ شیعہ دارکارکردگی کے لحاظ سے، آٹو آسمبلرز، سینٹر، کیمیکل، انجینئرنگ، گلاس اور سرامکس، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پیپر اینڈ بورڈ، پاور جنریشن اینڈ ڈسٹری بیوٹن، ریفرنسری، ٹیکنالوجی اور ٹیکسٹائل کمپوزٹ میٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اس کے برعکس، آٹو پارٹس اور لوازمات، کمرشل بینک، کھاد، خوراک اور ذاتی گھماشت، انشورنس، تیل اور گیس کی تلاش اور دواسازی کے شعبے پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ سرگرمی پر، افراد، کمپنیاں اور انشورنس کمپنیاں مارکیٹ میں بالترتیب 248 ملین امریکی ڈالر، 118 ملین امریکی ڈالر اور 53 ملین امریکی ڈالر کے ساتھ خالص خریدار رہے۔ دوسری طرف، غیر ملکی سرمایہ کار اور بینک/DFIs بالترتیب 295 ملین امریکی ڈالر اور 91 ملین امریکی ڈالر خالص اخراج کے ساتھ بڑے فروخت کنندگان رہے۔

آمدنی کے لحاظ سے، اس عرصہ کے دوران کارپوریٹ ڈیٹ سیکورٹیز میں تجارتی سرگرمی دباؤ کا شکار رہی۔ مجموعی تجارت کی مالیت پچھلے سال کے اسی عرصے میں 20.4 ملین روپے کے مقابلے میں 19.8 ملین روپے رہی۔ مالی سال 21 کی نو ماہی کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد کئے جن میں بیج مارک پالیسی کی شرح کو 7 فیصد برقرار رکھا۔ ان مانیٹری پالیسی کارروائیوں، اور افراط زر اور سود کی شرح کے نقطہ نظر پر گورنمنٹ منافع میں اضافہ ہوا۔

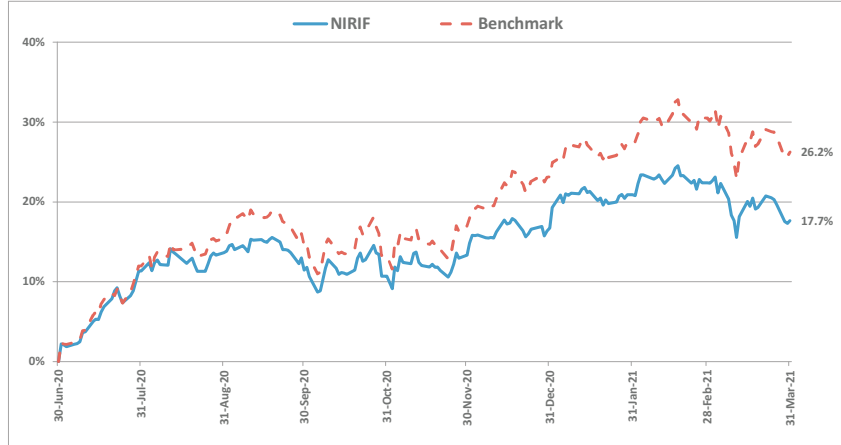
فنڈ نے موجودہ مدت کے دوران 22.468 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 3.073 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 19.395 ملین روپے ہے۔



فونڈ کی ایسٹ ایلوکیشن 31 مارچ 2021 کو بمطابق ذیل ہے:



NIRIF کی کارکردگی بمقابلہ بنچ 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 ریونٹ 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 فونڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 30 اپریل 2021ء

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

	Note	Unaudited March 31, 2021	Audited June 30, 2020
-----Rupees in '000-----			
Assets			
Bank balances		28,273	22,096
Investments	4	106,690	88,443
Dividend and profit receivable		496	158
Preliminary expenses and floatation costs		523	674
Advance, deposit and prepayment		535	526
Total assets		136,517	111,897
Liabilities			
Payable to NBP Fund Management Limited - Management Company		968	618
Payable to Central Depository Company of Pakistan Limited - Trustee		33	20
Payable to Securities and Exchange Commission of Pakistan		20	22
Accrued expenses and other liabilities		1,315	1,697
Total liabilities		2,336	2,357
Net assets		134,181	109,540
Unit holders' funds (As per Statement attached)		134,181	109,540
Contingencies and commitments	6		
-----Number of units-----			
Number of units in issue		13,514,028	12,981,879
-----Rupees-----			
Net asset value per unit		9.9290	8.4379

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

Note	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
-----Rupees in '000-----				
Income				
Gain on sale of investments - net	2,226	2,510	371	2,625
Dividend Income	4,497	5,324	1,227	820
Profit on bank deposits	1,428	2,578	425	971
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	14,317	(14,993)	(23)	(29,866)
Total income / (loss)	22,468	(4,581)	2,000	(25,450)
Expenses				
Remuneration to Central Depository Company of Pakistan Limited - Trustee	196	165	68	57
Sales Tax on remuneration of the Trustee	25	21	8	7
Accounting and operational charges to the Management Company	127	83	51	29
Selling and marketing expenses	1,530	979	573	384
Annual fee - Securities and Exchange Commission of Pakistan	20	17	7	6
Securities transaction costs	80	162	25	111
Settlement and bank charges	13	27	10	7
Auditors' remuneration	282	216	74	51
Legal and professional charges	150	40	43	30
Annual listing fee	19	17	5	6
Amortisation of preliminary expenses and floatation costs	152	152	50	50
Shariah advisor fee	12	14	4	5
Printing charges	71	61	38	5
Total expenses	2,677	1,954	956	748
Net income / (loss) from operating activities	19,791	(6,535)	1,044	(26,198)
Provision for Sindh Workers' Welfare Fund	(396)	-	(21)	393
Net income / (loss) for the period before taxation	19,395	(6,535)	1,023	(25,805)
Taxation	-	-	-	-
Net income / (loss) for the period after taxation	19,395	(6,535)	1,023	(25,805)
Allocation of Net income for the period:				
Net Income for the period	19,395	-	-	-
Income already paid on units redeemed	(275)	-	-	-
	19,120	-	-	-
Accounting Income available for distribution:				
- Relating to capital gains	16,543	-	-	-
- Excluding capital gains	2,577	-	-	-
	19,120	-	-	-

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-----Rupees in '000'-----			
Net income / (loss) for the period after taxation	19,395	(6,535)	1,023	(25,805)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>19,395</u>	<u>(6,535)</u>	<u>1,023</u>	<u>(25,805)</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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 NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine months period ended					
	March 31, 2021			March 31, 2020		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total
	(Rupees in '000)					
Net assets at beginning of the period	126,613	(17,073)	109,540	126,095	(19,572)	106,523
Issue of 2,930,089 units (2020: 12,397,161 units)						
- Capital value	24,724	-	24,724	102,620	-	102,620
- Element of loss	3,397	-	3,397	(2,973)	-	(2,973)
Total proceeds on issuance of units	28,121	-	28,121	99,647	-	99,647
Redemption of 2,397,940 units (2020: 12,990,099 units)						
- Capital value	(20,234)	-	(20,234)	(107,528)	-	(107,528)
- Element of income	(2,366)	(275)	(2,641)	2,480	-	2,480
Total payments on redemption of units	(22,600)	(275)	(22,875)	(105,048)	-	(105,048)
Total comprehensive income / (loss) for the period	-	19,395	19,395	-	(6,535)	(6,535)
Distribution during the period	-	-	-	-	-	-
Net assets at end of the period	132,134	2,047	134,181	120,694	(26,107)	94,587
Undistributed loss brought forward						
- Realised		(16,645)			(1,666)	
- Unrealised		(428)			(17,906)	
		(17,073)			(19,572)	
Accounting income / (loss) available for distribution:						
- Relating to capital gains	16,543			-		
- Excluding capital gains	2,577			-		
	19,120			-		
Net income / (loss) for the period after taxation	-			(6,535)		
Undistributed income carried forward	2,047			(26,107)		
Undistributed income carried forward						
- Realised loss		(12,270)			(11,114)	
- Unrealised loss		14,317			(14,993)	
		2,047			(26,107)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period	8.4379			8.2777		
Net assets value per unit at end of the period	9.9290			7.7052		

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine months period ended	
	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	19,395	(6,535)
Adjustments		
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(14,317)	14,993
Amortisation of preliminary expenses and floatation costs	152	152
	5,230	8,610
(Increase) / decrease in assets		
Investments - net	(3,931)	(2,998)
Dividend and profit receivable	(338)	(206)
Preliminary and floatation costs	-	-
Advance, deposit and prepayment	(9)	(8)
	(4,278)	(3,212)
(Decrease) / Increase in liabilities		
Payable to NBP Fund Management Limited -	350	(644)
Payable to Central Depository Company of Pakistan	13	-
Payable to Securities and Exchange Commission of Pakistan	(2)	(51)
Accrued expenses and other liabilities	(382)	169
	(21)	(526)
Net cash generated from operating activities	931	4,872
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	28,121	99,647
Net payments on redemption of units	(22,875)	(105,048)
Net cash generated from / (used) in financing activities	5,246	(5,401)
Net increase / (decrease) in cash and cash equivalents during the period	6,177	(529)
Cash and cash equivalents at the beginning of the period	22,096	24,651
Cash and cash equivalents at the end of the period	28,273	24,122

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

The NBP Islamic Regular Income Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 07 August 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and accordingly Trust Deed was executed on 09 August 2018.

The Management Company of the Fund has been licensed to act as an Asset Management Company under 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 also the member of (MUFAP).

The Fund is an open-ended mutual fund classified as an "Shariah Compliant Asset Allocation Fund" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund, is to provide regular monthly payments to investors by investing in Shariah Compliant Debt, Money Market and Equity investment avenues.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned and maintained an asset manager 'rating of 'AM1' to the Management Company. The Fund has not yet been rated.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the trustee of the Fund.

2 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 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.

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



of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. 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 NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2019 that have a material effect on the financial statements of the Fund.

4 INVESTMENTS

Financial assets at fair value through profit or loss

- Listed equity securities

(Unaudited) (Audited)
March 31, 2021 June 30, 2020
Note (Rupees in '000)

4.1 106,690 88,443

4.1 Investment in listed equity securities

All shares have a nominal face value of Rs.10 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 March 2021	Market value as at 31 March 2021	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
Oil and gas exploration company										
Pakistan Oilfields Limited	31,200	1,300	-	-	4,700	27,800	10,561	7.87	9.90	0.01
Pakistan Petroleum Limited	68,920	23,500	-	-	13,000	79,420	6,936	5.17	6.50	-
Oil & Gas Development Company Limited	68,600	18,000	-	-	13,800	72,800	7,397	5.51	6.93	-
	<u>168,720</u>	<u>42,800</u>	<u>-</u>	<u>-</u>	<u>31,500</u>	<u>180,020</u>	<u>24,894</u>	<u>18.55</u>	<u>23.33</u>	
Oil and gas marketing company										
Sui Northern Gas Pipelines	15,500	-	-	-	6,600	8,900	349	0.26	0.33	-
Pakistan State Oil Company Limited	23,520	4,600	-	-	1,700	26,420	6,093	4.54	5.71	0.01
Attock Petroleum Limited	10,700	-	-	-	-	10,700	3,499	2.61	3.28	0.01
	<u>49,720</u>	<u>4,600</u>	<u>-</u>	<u>-</u>	<u>8,300</u>	<u>46,020</u>	<u>9,941</u>	<u>7.41</u>	<u>9.32</u>	

NBP ISLAMIC REGULAR INCOME FUND



NBP FUNDS
Managing Your Savings

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 March 2021	Market value as at 31 March 2021	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
Fertilizer										
Engro Corporation Limited	45,760	2,700	-	-	17,100	31,360	8,697	6.48	8.15	0.01
Engro Fertilizers Limited	123,000	4,000	-	-	80,500	46,500	2,902	2.16	2.72	-
	168,760	6,700	-	-	97,600	77,860	11,599	8.64	10.87	
Chemical										
Engro Polymer and Chemicals Limited	8,000	52,500	-	-	-	60,500	3,327	2.48	3.12	0.01
Sitara Chemicals Limited	-	2,000	-	-	-	2,000	790	0.59	0.74	0.01
	8,000	54,500	-	-	-	62,500	4,117	3.07	3.86	
Cement										
Lucky Cement Limited	13,400	1,300	-	-	1,800	12,900	10,547	7.86	9.89	-
Kohat Cement Company Limited	24,300	-	-	-	1,000	23,300	4,828	3.60	4.53	0.01
D.G. Khan Cement Company Limited	8,700	3,000	-	-	3,000	8,700	1,048	0.78	0.98	-
Fauji Cement Company Limited	176,500	15,000	-	-	6,500	185,000	4,222	3.15	3.96	0.01
Maple Leaf Cement Factory Limited	26,000	-	-	-	2,200	23,800	1,066	0.79	1.00	-
	248,900	19,300	-	-	14,500	253,700	21,712	16.18	20.36	
Automobile parts & accessories										
Agriauto Industries Limited	4,000	-	-	-	-	4,000	857	0.64	0.80	0.01
Automobile assembler										
Honda Atlas Cars (Pakistan) Limited	6,500	-	-	-	5,100	1,400	382	0.28	0.36	-
Indus Motor Company Limited	1,100	-	-	-	200	900	1,040	0.78	0.98	-
Millat Tractors Limited	1,500	3,100	575	-	-	5,175	5,691	4.24	5.33	0.01
	9,100	3,100	575	-	5,300	7,475	7,114	5.30	6.67	
Textile composite										
Nishat Mills Limited	28,500	6,500	-	-	-	35,000	3,238	2.41	3.04	0.01
Interloop Limited	-	16,000	-	-	1,000	15,000	992	0.74	0.93	-
	28,500	22,500	-	-	1,000	50,000	4,230	3.15	3.97	
Power generation and distribution										
Saif Power Ltd	29,500	-	-	-	-	29,500	519	0.39	0.49	0.01
The Hub Power Company Limited	161,972	33,500	-	-	12,002	183,470	14,887	11.09	13.95	0.01
	191,472	33,500	-	-	12,002	212,970	15,406	11.48	14.44	
Sugar & allied industries										
Faran Sugar Mills Limited	7,000	-	-	-	-	7,000	259	0.19	0.24	0.03
Habib Sugar Mills Limited	11,500	-	-	-	-	11,500	368	0.27	0.34	0.01
	18,500	-	-	-	-	18,500	627	0.46	0.58	



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 March 2021	Market value as at 31 March 2021	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
Transport										
Pakistan National Shipping Corporation	17,000	-	-	-	12,500	4,500	337	0.25	0.32	-
Commercial banks										
Meezan Bank Limited	11,500	2,500	1,050	-	1,000	14,050	1,590	1.19	1.49	-
Engineering										
Agha Steel Industries Limited	-	36,000	-	-	36,000	-	-	-	-	-
Mughal iron and steels Limited	-	500	-	80	-	580	48	0.04	0.05	-
	-	36,500	-	80	36,000	580	48	0.04	0.05	
Pharmaceuticals										
AGP Limited	-	6,500	-	-	-	6,500	742	0.55	0.70	-
The Searle Company Limited	-	2,600	-	-	-	2,600	642	0.48	0.60	-
	-	9,100	-	-	-	9,100	1,384	1.03	1.30	
Glass & Ceramics										
Shabbir Tiles and Ceramics Limited.	-	120,000	-	-	-	120,000	2,834	2.11	2.66	0.05
Total - 31 March 2021	924,172	352,600	1,625	-	219,702	1,061,275	106,690	78.87	100.00	
Carrying value before fair value adjustment as at 31 March 2021							92,373			

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, being prudent, recognised provision for SWWF amounting to Rs.0.564 million as at March 31, 2021 in this condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2021 would have been higher by Rs. 0.0417 per unit (June 30, 2020: Rs 0.0129 per unit).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

7 SELLING AND MARKETING EXPENSE

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 1.75% per annum of the net assets of the Fund.



8 TAXATION

The Fund's income 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 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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.

9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2021 is 3.14% (2020: 2.37%) which includes 0.45% (2020: 0.05%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shariah compliant asset allocation scheme'.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

10.1 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.

10.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

10.3 Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

10.4 Transactions during the period

	----- Unaudited ----- Nine months ended	
	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
NBP Fund Management Limited - Management Company		
Issue of nil units (2020: 12,209,553 units)	-	97,893
Redemption of nil units (2020: 12,209,553 units)	-	97,893
Accounting and operational charges to the Management Company	127	83
Selling and marketing expenses	1,530	979
Sales load and others	121	12



	----- Unaudited -----	
	Nine months ended	
	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
Employees of the Management Company		
Units issued: 232,522 units (2020: Nil units)	2,227	-
Units redeemed: 248,821 units 2020: Nil units)	2,411	-
Bank Islami Pakistan Limited (Common directorship)		
Markup on bank balances	313	560
Central Depository Company of Pakistan Limited - Trustee		
Trustee Remuneration	196	165
Sales tax on remuneration to Trustee	25	21
CDC charges	6	11
Pakistan Stock Exchange (Common directorship)		
Listing Fee paid	25	20
Taurus Securities Limited (Subsidiary of Parent Company)		
Brokerage charges	9	11
** The Hub Power Company Limited (Common directorship)		
Shares purchased: 33,500 shares (2020: 29,000 shares)	2,758	2,058
Shares sold: 12,002 shares (2020: 25,000 shares)	972	2,378

10.5 Balances outstanding as at period / year end

NBP Fund Management Limited - Management Company

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	(Rupees in '000)	
Units held: 12,784,520 (2020: 12,784,520 units)	126,937	107,874
Allocation of expenses related to registrar services, accounting, operation and valuation services	51	27
Sales load and others	163	24
Selling and Marketing	574	384
Other payable	180	180

National Bank of Pakistan Limited - Islamic Banking (Parent Company)

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	(Rupees in '000)	
Bank Balance	-	14
Markup on bank balance	-	2

Central Depository Company of Pakistan Limited - Trustee

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	(Rupees in '000)	
Remuneration Payable	23	18
Sindh Sales Tax on Trustee remuneration	3	2
CDC charges	7	6
Security deposit	100	100



	(Unaudited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
Bank Islami Pakistan Limited (Common directorship)		
Bank balance	23,590	19,320
Markup on bank balance	102	119
** The Hub Power Company Limited (Common directorship)		
Shares held : 183,470 (2020:161,972 shares)	14,887	11,743
Employees of the Management Company		
Units held: 148 (2020:16,448 units)	1	139

11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 30, 2021.

12 GENERAL

12.1 Figures have been rounded off to the nearest thousand rupees.

12.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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