

Islamic Savings

اسلامک سیورٹیز

NBP RIBA FREE SAVINGS 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

Al Baraka Islamic Bank Limited
 Allied Bank Limited
 Bank Alfalah Limited
 Bank Al Habib Limited
 BankIslami Pakistan Limited
 Dubai Islamic Bank Pakistan Limited
 Faysal Bank Limited
 Habib Bank Limited
 Habib Metropolitan Bank Limited
 JS Bank Limited
 MCB Bank Limited
 Meezan Bank Limited
 National Bank of Pakistan
 Silk Bank Limited
 Soneri Bank Limited
 Summit Bank Limited
 United Bank Limited

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Riba Free Savings Fund (NRFSF)** for the period ended March 31, 2021.

Fund's Performance

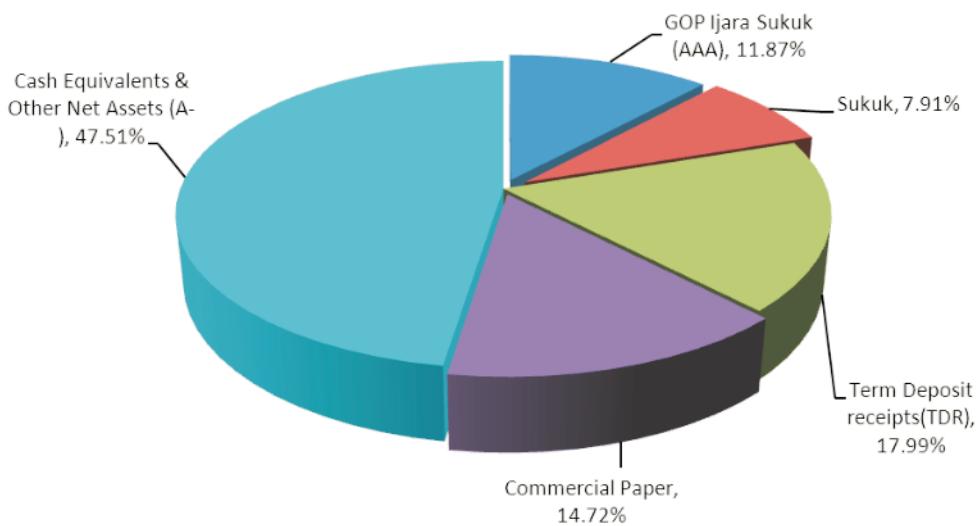
The size of NBP Riba Free Savings Fund has decreased from Rs. 5,163 million to Rs. 4,352 million during the period (a fall of 16%). During the period, the unit price of the Fund has increased from Rs. 10.2319 on June 30, 2020 to Rs. 10.7079 on March 31, 2021, thus showing a return of 6.2% as compared to the benchmark return of 3.7% for the same period. The performance of the Fund is net of management fee and all other expenses.

NRFSF is an Islamic Income Scheme. The stability rating of the Fund by PACRA is 'A+ (f)', which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks/Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile.

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.

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 a total income of Rs. 305.817 million during the period. After deducting total expenses of Rs. 66.854 million, the net income is Rs. 238.963 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NRFSF.



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.

ڈائریکٹر رپورٹ

NBP فنڈ میجنت لمبٹ کے بورڈ آف ڈائریکٹر بعده مسرت 31 مارچ 2021ء کو ختم ہونے والی نوماہی کے لئے NBP ربانی سیوگر فنڈ (NRFSF) کے نیچے جانشیدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

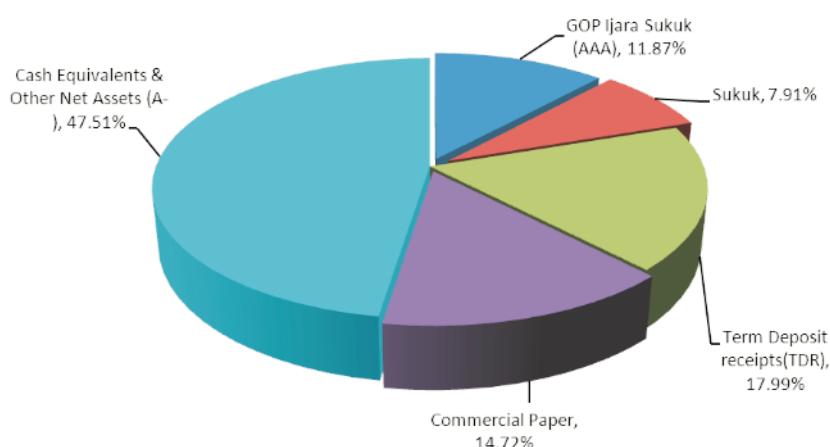
موجودہ مدت کے دوران NBP ربانی سیوگر فنڈ کا سائز 163.5 ملین روپے سے کم ہو کر 4.352 ملین روپے ہے جیسے 16% کی کمی ہوئی ہے۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 10.2319 روپے سے بڑھ کر 31 مارچ 2021 کو 10.7079 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے نئے مارک منافع 3.7% کے مقابلے میں 6.2% منافع درج کرایا۔ فنڈ کی کارکردگی میجنت فیس اور دیگر تمام اخراجات کے بعد خاص ہے۔

NRFSF ایک اسلامی اسٹیٹیشن ریٹنگ اسٹریٹ کوئی ایکسپرڈ نہیں ہے۔ فنڈ کو PACRA کی طرف سے A+(f) کی اسٹیٹیشن ریٹنگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست الیت اور حضرات کی زدیں آنے کے بہت معمولی امکانات کی شان و دی کرتی ہے۔ فنڈ کا مقصد اسلامی یونیورسٹیوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شروعوں کے مقابلے تو اتر سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوائی کے کریٹ پروفائل کے ساتھ آسان لیکوئی یعنی بھی مہیا کرنا ہے۔

جو لوگی میں بلندی پر پہنچنے کے بعد کو یہ 19 کے نفع کیسے کیں؟ اموات کی شرح میں تیزی سے کم ہو کر واحد ہند سے پر آگیا جس نے میجنت کو دوبارہ کھو لئے کی ابازت دی۔ معاشی بحالی کی رفتار میں تغییر کی تریمیں، خود رہا یہ ہن کی فروخت اور آٹوموبائل کے فروخت جنم 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 جمیع طور پر 6.25 فیصد تک کم کر دیا اور حکومت نے ایک 1.2 ٹریلین روپے کے محکم پہنچ کا اعلان کیا، جو جن ڈی پی کے 2.8 فیصد کے مساوی ہے، جس میں معاشرے کے تمام شعبوں کو یلیف دیا گیا ہے جن میں پسمندہ افراد، کاروبار اور صنعتیں شامل ہیں۔ 8MFY21 کے دوران وبا مرض کرونا وائرس کے بدلتی یہ ورنی اکاؤنٹ پشت اسٹریٹس اور ترسیلات زر میں 24 فیصد اضافہ ہوا۔ ملک نے گذشتہ سال کے تقاضی دوڑانیہ میں 2.7 ملین امریکی ڈالر کے کریٹ اکاؤنٹ خسارہ (CAD) کے مقابلے میں 8MFY21 کے دوران 881 ملین امریکی ڈالر کا کریٹ اکاؤنٹ سرپلس درج کیا ہے۔ میں الاقوامی مالیاتی فنڈ (IMF) کے ساتھ تو سیعی فنڈ کی سہولت (EFF) جسے پہلے سال اپریل میں روک دیا گیا تھا، آخر کار دوبارہ شروع ہو گئی، اور اس کے نتیجے میں مرکزی بینک نے آئی ایف سے قریباً 500 ملین ڈالر کی رقم حاصل کی۔ آئی ایف پروگرام کے دوبارہ آغاز سے میں الاقوامی ڈیٹ مارکیٹ میں پورا باعثہ جاری کر کے ملک کو 2.5 ارب ڈالر قرض لینے کا موقع ملا۔

مالی سال 21 کی نوماہی کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد کئے جن میں پہنچ مارک پالیسی کی شرح کو 7 فیصد برقرار رکھا۔ ان مانیٹری پالیسی کا رواج یوں، اور افراطی اور سودی کی شرح کے نقطہ نظر پر گورنمنٹ منافع میں اضافہ ہوا۔

فنڈ نے اس مدت کے دوران 305.817 ملین روپے کی مجموعی آمدی کمائی ہے۔ 66.854 ملین روپے کے اخراجات متها کرنے کے بعد خاصی آمدی 238.963 ملین روپے رہی۔ درج ذیل چارٹ 31 مارچ 2021 کو NRFSF کی ایسٹ ایلکٹشن اور اس کے ذیلی اٹاٹوں کے تمام درجنوں کی پیاس شدہ اوسٹر ریٹنگ پیش کرتا ہے۔



اٹھارٹھر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میجنٹ کمپنی پر اعتماد، اعتمار اور خدمت کا موقع فراہم کرنے پاپنے قابل قدر یونٹ ہولڈرز کا شکر یاد کرتا ہے۔ یہ سیکورٹیز ایڈا کچن کیشن آف پاکستان اور اسٹائٹ یینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مختص رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹر

NBP ننڈ میجنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکیوٹو

تاریخ: 30 اپریل 2021ء

مقام: کراچی

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

	Note	Un-Audited MARCH 31, 2021	Audited June 30, 2020
----- Rupees in '000 -----			
ASSETS			
Balances with banks	4	2,910,325	2,076,787
Investments	5	1,501,662	3,232,720
Prepayment and other receivables		207	437
Profit receivable		43,744	61,805
Receivable against issue of units		3,295	12,083
Total assets		4,459,233	5,383,832
LIABILITIES			
Payable to the Management Company		23,210	14,989
Payable to the Trustee		319	380
Payable to Securities and Exchange Commission of Pakistan		790	1,209
Payable against redemption of units		46,555	94,496
Accrued expenses and other liabilities		35,891	110,086
Total liabilities		106,765	221,160
NET ASSETS			
Unit holders' fund (As per statement attached)		4,352,468	5,162,672
CONTINGENCIES AND COMMITMENTS			
	10		
----- Number of units -----			
Number of units in issue		406,472,066	504,564,248
----- Rupees -----			
Net asset value per unit		10.7079	10.2319

The annexed notes 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

	Nine months ended		Quarter ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Note	Rupees in '000			
INCOME				
Income on Bank balances	95,128	455,426	29,710	135,310
Income on Term deposits	65,803	83,206	23,301	17,538
Income on GOP Ijara Sukuk	38,252	-	10,450	-
Income on Commercial paper	40,328	66,978	13,478	8,582
Income on Sukuk	34,419	22,216	4,917	22,216
Income on bai mujaal receivable	10,451	-	-	-
Gain on sale of Investments - net	17,204	-	854	-
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	4,232	-	2,314	-
Total income	305,817	627,826	85,024	183,646
EXPENSES				
Remuneration of the Management Company	20,740	35,369	5,959	10,246
Sindh sales tax on remuneration of the Management Company	2,696	4,598	775	1,332
Remuneration of the Trustee	2,961	3,467	873	1,015
Sindh Sales Tax on remuneration of the Trustee	385	451	114	132
Selling and Marketing Expense	27,637	31,721	8,146	9,471
Annual fee - Securities and Exchange Commission of Pakistan	790	925	233	271
Reimbursement of operational expenses to the Management Company	4,485	4,623	1,454	1,353
Annual listing fee	21	21	7	7
Securities transaction cost	83	-	24	-
Settlement & Bank charges	517	181	127	82
Auditors' remuneration	549	497	162	123
Fund rating fee	367	335	130	119
Printing and related costs	133	28	34	15
Shariah advisor fee	410	794	72	264
Legal and professional charges	203	52	137	14
Total expenses	61,977	83,062	18,247	24,444
Net income from operating activities	243,840	544,764	66,777	159,202
	243,840	544,764	66,777	159,202
Provision for Sindh Workers' Welfare Fund	(4,877)	(10,895)	(1,336)	(3,184)
Net income for the period before taxation	238,963	533,869	65,441	156,018
Taxation	-	-	-	-
Net income for the period after taxation	238,963	533,869	65,441	156,018
Earnings per unit				
Allocation of net income for the period:				
Net income for the period after taxation	238,963	533,869	65,441	156,018
Income already paid on units redeemed	(74,483)	(167,155)	(29,408)	(46,310)
	164,480	366,714	36,033	109,708
Accounting Income available for Distribution				
- Relating to capital gain	17,204	-	854	-
- Excluding capital gain	147,276	366,714	35,179	109,708
	164,480	366,714	36,033	109,708

The annexed notes 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

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
----- Rupees in '000 -----				
Net income for the period after taxation	238,963	533,869	65,411	156,018
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	238,963	533,869	65,411	156,018

The annexed notes 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 AND QUARTER ENDED MARCH 31, 2021

	Nine Months Period ended March 31,					
	2021	(Rupees in '000)		2020		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	5,119,835	42,837	5,162,672	6,539,757	29,294	6,569,051
Issue of 391,044,697 units (2020: 587,340,121 units)						
- Capital value	4,001,130	-	4,001,130	5,993,747	-	5,993,747
- Element of income	77,348	-	77,348	244,438	-	244,438
Total proceeds on issuance of units	4,078,478	-	4,078,478	6,238,185	-	6,238,185
Redemption of 489,136,879 units (2020: 709,054,399 units)						
- Capital value	(5,004,800)	-	(5,004,800)	(7,235,829)	-	(7,235,829)
- Element of loss	(48,362)	(74,483)	(122,845)	(127,264)	(167,155)	(294,419)
Total payments on redemption of units	(5,127,645)	(74,483)	(5,127,645)	(7,363,093)	(167,155)	(7,530,248)
Total comprehensive income for the period	-	238,963	238,963	-	533,869	533,869
Net assets at end of the period	4,070,668	207,317	4,352,468	5,414,849	396,008	5,810,857
Undistributed income brought forward						
- Realised		42,837			29,294	
- Unrealised		-			-	
		42,837			29,294	
Accounting income available for distribution						
- Relating to capital gain		17,204			-	
- Excluding capital gain		147,276			366,714	
		164,480			366,714	
Distribution paid during the period	-	-	-	-	-	-
Undistributed income carried forward		207,317			396,008	
Undistributed income carried forward						
- Realised		185,881			396,008	
- Unrealised		21,436			-	
		207,317			396,008	
				- (Rupees) -		- (Rupees) -
Net assets value per unit at beginning of the period		10.2319			10.2049	
Net assets value per unit at end of the period		10.7079			11.1320	

The annexed notes 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 AND QUARTER ENDED MARCH 31, 2021

	<u>Nine Months Period</u>	
	31-Mar-21	31-Mar-20
----- Rupees in '000 -----		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	238,963	533,869
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(4,232)	-
Gain on sale of investments - net	(65,803)	(83,206)
	<u>168,928</u>	<u>450,663</u>
(Increase) / decrease in assets		
Investments - net	1,801,093	1,264,755
Advances, deposits, prepayments and other receivables	230	209
Profit receivable	18,061	8,841
	<u>1,819,384</u>	<u>1,273,805</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	8,221	(7,035)
Payable to the Trustee	(61)	(157)
Payable to Securities and Exchange Commission of Pakistan	(419)	(3,272)
Accrued expenses and other liabilities	(74,195)	(20,308)
	<u>(66,454)</u>	<u>(30,772)</u>
Net cash (used in) operating activities	<u>1,921,858</u>	<u>1,693,696</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	4,087,266	6,229,163
Payment on redemption of units	(5,175,586)	(7,511,934)
Net cash generated from financing activities	<u>(1,088,320)</u>	<u>(1,282,771)</u>
Net increase in cash and cash equivalents during the period	<u>833,538</u>	<u>410,925</u>
Cash and cash equivalents at the beginning of the period	<u>2,076,787</u>	<u>4,208,621</u>
Cash and cash equivalents at end of the period	<u><u>2,910,325</u></u>	<u><u>4,619,546</u></u>

The annexed notes 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 AND QUARTER ENDED MARCH 31, 2021

1 **LEGAL STATUS AND NATURE OF BUSINESS**

NBP Riba Free Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 18, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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 a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and classified as an Islamic "income scheme" by the Management Company and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The objective of the Fund is to provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / debt securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and has assigned stability rating of 'A+(f)' to the Fund.

Title of the assets of the Fund is held in the name of CDC as a trustee of the Fund.

2 **BASIS OF PREPARATION**

2.1 **STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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, 2020 that have a material effect on the financial statements of the Fund.

			(Un-audited) March 31, 2021	(Audited) June 30, 2020
4	BANK BALANCES	Note	----- Rupees in '000 -----	
	Current accounts		27,383	23,739
	Savings accounts		2,099,942	2,053,048
	Term deposits receipts	4.1	<u>783,000</u>	<u>2,076,787</u>
			<u>2,910,325</u>	<u>2,076,787</u>

4.1	Name of Investee Company	Placement date	Profit rate	As at July 1, 2020	Amount placed		As at March 31, 2021	Market value as at March 31, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
					Purchased during the period	Matured during the period				
	United Bank Limited	March 08, 2021	6.90%	-	98,000	-	98,000	98,000	0.03	0.02
	Bank Islami Pakistan Limited	March 08, 2021	6.90%	-	685,000	-	685,000	685,000	0.24	0.16
								<u>783,000</u>	<u>0.27</u>	<u>0.18</u>

			(Un-Audited) March 31, 2021	(Audited) June 30, 2020
5	INVESTMENTS	Note	----- Rupees in '000 -----	
	Financial assets at fair value through profit loss			
	Sukuk	5.1	344,200	1,475,000
	Commercial Paper	5.2	640,769	218,136
	Government securities - Ijarah Sukuk	5.3	516,693	1,039,618
	Bai- Muajjal		-	299,966
	Term deposits receipts		-	200,000
			1,501,662	3,232,720

5.1 Sukuks Certificates - At fair value through profit or loss

All certificates have a face value of Rs.100,000 each

Name of the security	As at July 1, 2020	Purchases during the period	Matured / disposed off during the period	As at March 31, 2021	Market value as at March 31, 2021	Percentage in relation to	
	----- Number of certificates -----			(Rupees in '000)	Rupees in '000'	Net assets of the Fund	Total market value of the investment
Hub Power Company Limited (traded) (related party) (Face value of Rs. 100,000 per certificate)	7,000	-	7,000	-	-	-	-
K-Electric Limited Sukuk (traded) (Face value of Rs. 5,000 per certificate)	100,000	-	100,000	-	-	-	-
Pakistan Energy Sukuk-II (traded) (Face value of Rs. 5,000 per certificate)	55,000	-	-	55,000	277,200	0.06	0.18
Kot Addu Power Company Limited (Face value of Rs. 100,000 per certificate)	-	670	-	670	67,000	0.02	0.04
Total					344,200	0.08	22.92%
Carrying value as at March 31, 2021					342,000		
Market value as at June 30, 2020					1,475,000		
Carrying value as at June 30, 2020					1,475,000		

5.2 Commercial papers

Name of security	Face value (Rupees in '000)			(Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	
	As at July 1, 2020	Purchased during the period	Disposed off / matured during the period	As at March 31, 2021	Market value as at March 31, 2021		
						%	
Power generation & distribution							
K-Electric Limited CP 8	225,000	-	225,000	-	-	-	
K-Electric Limited CP 9	-	125,000	125,000	-	-	-	
K-Electric Limited CP 10	-	450,000	450,000	-	-	-	
K-Electric Limited CP 11	-	30,000	30,000	-	-	-	
K-Electric Limited CP 13	-	205,000	205,000	-	-	-	
K-Electric Limited CP 14	-	205,000	205,000	-	-	-	
K-Electric Limited CP 15	-	205,000	-	205,000	204,195	0.14	0.05
K-Electric Limited CP 16	-	372,000	-	372,000	359,569	0.24	0.08
K-Electric Limited CP 17	-	80,000	-	80,000	77,005	0.05	0.02
Total					640,769	0.43	0.15
Carrying value as at March 31, 2021					640,769		
Market value as at June 30, 2020					218,136		
Carrying value as at June 30, 2020					218,136		

These carry yield ranging from 6.85% to 7.68% per annum and are due to mature latest by April 20, 2021.

5.3 Government securities - Ijarah sukuk

Name of the security	As at July 1, 2020	Purchases during the period	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021	Percentage in relation to	
						Net assets of the Fund	Total market value of the investment
						Number of certificates-----	(Rupees in '000) ----- % -----
GOP Ijarah sukuk XX (Face value of Rs. 100,000 per certificate Maturity April 30, 2025)	157,500	582,000	689,500	50,000	240,950	0.06	0.16
GOP Ijarah sukuk XXI (Face value of Rs. 100,000 per certificate Maturity May 29, 2025)	55,000	55,000	55,000	55,000	275,743	0.06	0.18
Total					516,693	0.12	0.34
Carrying value as at March 31, 2021					514,661		
Market value as at June 30, 2020					1,039,618		
Carrying value as at June 30, 2020					1,062,500		

6 SELLING AND MARKETING EXPENSES

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 0.7% per annum of the net assets of the Fund.

7 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2021 is 1.69% (2020: 2.03%) which includes 0.22% (2020: 0.36%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (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 Income Scheme'.

8 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 19 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.32.850 million for the period ended 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. 0.0808 per unit (June 30, 2020: Rs. 0.055 per unit).

9 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 unit holders. 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.

10 CONTINGENCIES AND COMMITMENTS

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

11 TRANSACTIONS WITH CONNECTED PERSONS

- 11.1 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, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.
- 11.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 11.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

11.5 Transactions during the period

		----- (Un-Audited) -----	
		Nine months Period ended	
		March	March
		31, 2021	31, 2020
----- Rupees in '000 -----			

NBP Fund Management Limited

Management remuneration for the period	20,740	35,369
Sindh sales tax on remuneration of the Management Company	2,696	4,598
Selling and marketing expense	27,637	31,721
Accounting and operational charges to the Management Company	4,485	4,623
Sales Load and sind sale tax	2,883	493
ADC share and Sindh sale tax - payable to Management Company	129	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration	2,961	3,467
Sindh Sale tax on Remuneration	385	451
CDS Charges	86	15

----- (Un-Audited) -----

Nine months Period ended

March	March
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31,2021	31,2020
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----- Rupees in '000 -----	
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Employees of Management Company

Units issued / transferred in	4,220,723 units; (2020: 1,224,380 units)	44,214	13,064
Units redeemed / transferred out	3,963,462 units; (2020: 2,625,044 units)	41,646	27,887

NBP FUND's Employee Provident Fund (Management Company)

Units redeemed / transferred out	436,294 units (2020: 189,271 units)	4,530	1,998
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Portfolio Managed By Management Company

Units issued / transferred in	2,390,665 units (2020: 13,225,431 units)	24,582	141,746
Units redeemed / transferred out	9,202,030 units (2020: 13,985,736 units)	95,665	149,999
Sale of sukuk certificates - K-Electric		33,620	-

Mr. Khalid Mehmood - Chief Financial Officer

Units issued / transferred in	57 units (2020: 38,846 units)	1	400
Units redeemed / transferred out	Nil units (2020: 441,969 units)	-	4,722

BANKISLAMI PAKISTAN LIMITED - (Common directorship)

Profit earned from savings account		8,245	178,400
Placements of term deposit receipts		4,830,000	6,421,000
Profit earned from term deposits receipts		29,094	83,206
Purchase of sukuk certificates - GOP Ijarah sukuk certificates		471,563	-
Sale of sukuk certificates - GOP Ijarah sukuk certificates		954,974	-
Carrying value as at March 31, 2021			

NBP ISLAMIC MAHANA AMDANI FUND (CIS managed by the Management Company)

Sale of Commercial paper during the period		-	388,056
Sale of sukuk certificates during the period		1,125,418	-

NBP ISLAMIC INCOME FUND (CIS managed by the Management Company)

Sale of sukuk certificates during the period		104,597	-
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NBP ISLAMIC SARMAYA IZAFI FUND (CIS managed by the Management Company)

Sale of GOP Ijarah Sukuk during the period		297,813	-
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Hub Power Company Limited- (common directorship)

Purchase of Sukuk durig the period		761,838	700,000
Profit earned on Sukuk during the period		12,774	3,570

NBP ISLAMIC DAILY DIVIDEND FUND (CIS managed by the Management Company)

Sale of Commercial paper during the period		-	157,638
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NBP ISLAMIC MONEY MARKET FUND (CIS managed by the Management Company)

Sale of Commercial paper during the period		-	201,131
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Pakistan Stock Exchange Limited-Common Directorship

Listing Fee paid		25	25
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National Clearing Company of Pakistan Limited - common directorship

Settlement charges		225	-
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	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	----- Rupees in '000 -----	
11.6 Balances outstanding as at period / year end		
NBP Fund Management Limited		
Remuneration payable	1,890	2,891
Sindh sales tax on remuneration of the Management Company	247	360
Selling and Marketing expense payable	8,146	9,947
Operational expenses	1,456	1,422
Sales load payable and sales tax on sale load	351	369
Federal excise duty on sales load	334	-
Federal excise duty on remuneration of the Management Company	10,657	10,657
ADC share and Sindh sale tax - payable to Management Company	129	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	283	337
Sale tax on Remuneration payable	36	43
CDS settlement charges payable	34	13
Security deposit	200	200
National Bank of Pakistan - Parent Company		
Balance in current account	3,766	2,758
Employees of Management Company		
Investment held in the Fund 1,099,987 units (June 30, 2020: 833,335 units)	11,779	8,527
BANKISLAMI PAKISTAN LIMITED - (Common directorship)		
Bank balance	68,597	3,871
Accrued profit	713	49
Placements of term deposit receipts	685,000	-
Profit receivable from term deposits receipts	3,545	-
Portfolio Managed by the Management Company		
Investment held in the Fund 179 units (June 30, 2020: 6,811,544 units)	2	69,695
Mr. Khalid Mehmood - Chief Financial Officer		
Units held: 57 units (June 30, 2020: Nil units)	1	-

12 DATE OF AUTHORISATION FOR ISSUE

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

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand Rupees.

13.2 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant changes to corresponding figures have been made during the current period.

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

Chief Financial Officer

Chief Executive Officer

Director

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