

NBP
GOVERNMENT SECURITIES
SAVINGS FUND

QUARTERLY REPORT
SEPTEMBER 30, 2021

AM1
Rated by PACRA



MISSION STATEMENT

**To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.**



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS	14



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
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	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
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited	Telenor Microfinance Bank Limited
Bank Alfalah Limited	The First Microfinance Bank Limited
Bank Al Habib Limited	United Bank Limited
Bank Islami Pakistan Limited	U Microfinance Bank Limited
Habib Bank Limited	Zarai Taraqiati Bank Limited
Habib Metropolitan Bank Limited	Allied Bank Limited
JS Bank Limited	BankIslami Pakistan Limited
Khushali Microfinance Bank Limited	National Bank of Pakistan
MCB Bank Limited	Samba Bank Limited
National Bank of Pakistan	Zarai Taraqiati Bank Limited
Samba Bank Limited	MCB Islamic Bank Limited
Sindh Bank Limited	Faysal Bank Limited
Soneri Bank Limited	
Dubai Islamic 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, 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 unaudited condensed Interim financial statements of **NBP Government Securities Savings Fund (NGSSF)** for the quarter ended September 30, 2021.

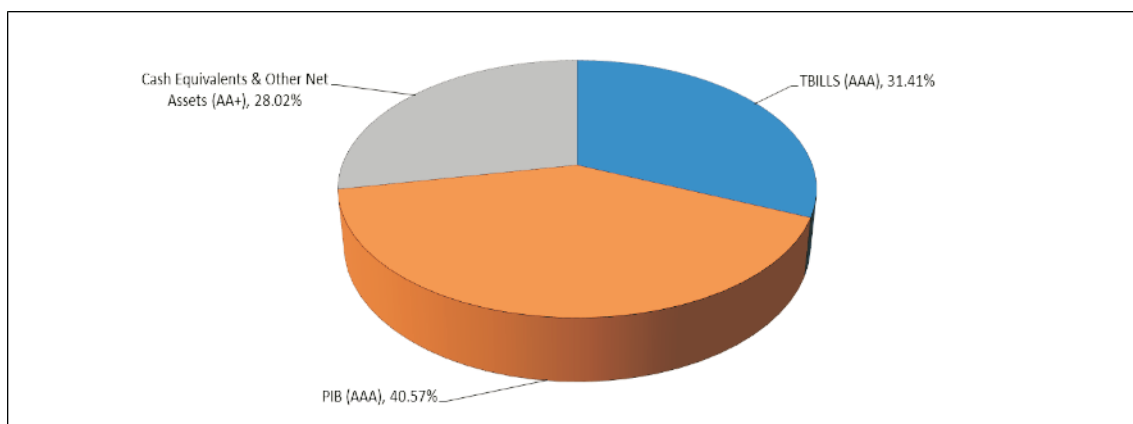
Fund's Performance

Inflation as measured by the CPI clocked-in at 9.0% on year-on-year basis in September 2021 as compared to an increase of 8.4% in the previous month and 9.0% in September 2020. Amid sharp spike in prices of food component, CPI increased by 2.1% on a month-on-month basis in September 2021 as compared to an increase of 1.5% in September 2020. After maintaining status quo for about fifteen months, in its meeting held on September 20th, the SBP raised the Policy Rate by 25 basis points to 7.25%. While acknowledging the needed appropriate policy mix, the SBP cited that "looking ahead, in the absence of unforeseen circumstances, the MPC expects monetary policy to remain accommodative in the near term, with possible further gradual tapering of stimulus."

During the period under review, sovereign yields responded to the reversal of monetary easing cycle as T-Bills yields increased by 31 bps, 46 bps, and 92 bps for 3-month, 6-month, and 12-month tenures owing to the increase in the Policy Rate. SBP held seven T-Bills auctions during the period, realizing a total of Rs. 4.3 trillion against the maturity of Rs. 4.1 trillion and target of Rs. 4.7 trillion.

The size of NBP Government Securities Savings Fund decreased from Rs. 213 million to Rs. 200 million during the period (i.e., a drop of 6%). During the period, the unit price of the Fund has increased from Rs. 10.3991 on June 30, 2021 to Rs. 10.7883 on September 30, 2021, thus showing return of 14.8% p.a. as compared to the benchmark return of 7.5% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and is not likely to be repeated in the future. The Fund has been assigned a stability rating of 'AA- (f)' by PACRA.

The Fund has earned a total income of Rs. 8.474 million during the period. After deducting total expenses of Rs. 0.942 million, the net income is Rs. 7.532 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSSF.





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: **October 29, 2021**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2021ء کو ختم ہونے والی سہ ماہی کے لئے NBP گورنمنٹ سیکورٹیز سیویںگ فنڈ (NGSSF) کے غیر جانچ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

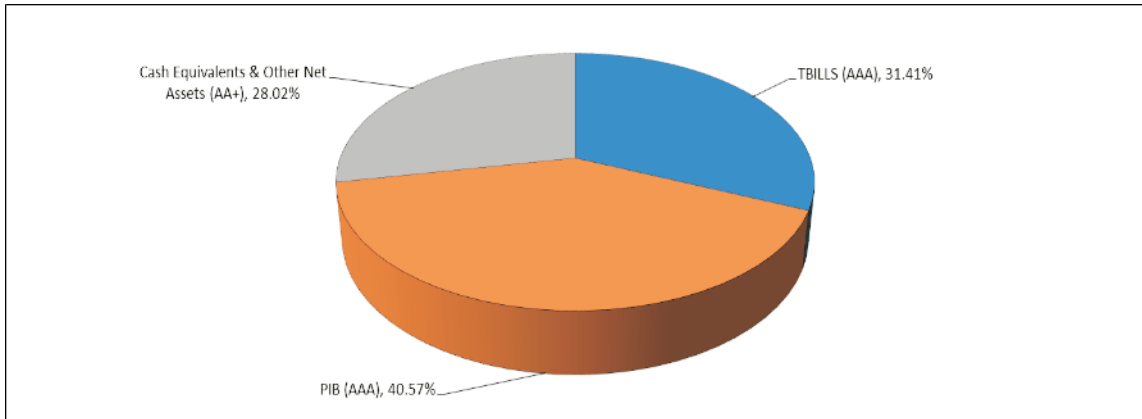
فنڈ کی کارکردگی

CPI کی طرف سے پیمائش کردہ افراط زر گزشتہ ماہ میں 8.4% اور ستمبر 2020 میں 9.0% کے مقابلے میں ستمبر 2021 میں سالانہ بنیاد پر تقریباً 9.0% رہی۔ خوراک کے اجزاء کی قیمتوں میں تیز اضافہ کے درمیان، CPI ستمبر 2020 میں 1.5% بڑھنے کے مقابلے میں ستمبر 2021 میں ماہانہ بنیاد پر 2.1% تک بڑھ گیا۔ تقریباً پندرہ ماہ تک پرانا نظام برقرار رکھنے کے بعد، 20 ستمبر کو منعقدہ اسپن اجلاس میں، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی شرح میں 25 بیس پوائنٹس کے اضافہ کے ساتھ 7.25% تک زیادہ کر دی۔ مطلوبہ موزوں پالیسی کس کو تسلیم کرتے ہوئے، اسٹیٹ بینک نے حوالہ دیا کہ "غیر متوقع حالات کی عدم موجودگی میں، آگے دیکھتے ہوئے، ایم پی سی توقع کرتی ہے کہ مالیاتی پالیسی مستقبل قریب میں موزوں رہے گی، ممکنہ طور پر مزید تدریج کمی آئے گی۔"

زیر جائزہ مدت کے دوران، شرح منافع نے آسان مالیاتی سائیکل کی واپسی کے نتائج دینے کیونکہ پالیسی شرح میں اضافہ کی وجہ سے ٹی بلز کی پیداوار میں 3 ماہ، 6 ماہ اور 12 ماہ کے عرصہ میں بالترتیب 31 بی پی ایس، 46 بی پی ایس، اور 92 بی پی ایس اضافہ ہوا۔ اسٹیٹ بینک پاکستان نے اس عرصے کے دوران سات ٹی بلوں کی نیلامی کی، جس میں 4.1 ٹریلین روپے کی مچھوڑی اور 4.7 ٹریلین روپے کے ہدف کے مقابل مجموعی طور پر 4.3 ٹریلین روپے حاصل کئے۔

موجودہ مدت کے دوران NBP گورنمنٹ سیکورٹیز سیویںگ فنڈ (NGSSF) کا سائز 213 ملین روپے سے کم ہو کر 200 ملین روپے ہو گیا یعنی 6% کمی۔ موجودہ مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2021 کو 10.3991 روپے سے بڑھ کر 30 ستمبر 2021 کو 10.7883 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 7.5% کے مقابلے میں 14.8% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پرویزنگ ریورس کر دی گئی۔ اس پرویزن کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔ فنڈ کو PACRA کے ذریعے AA-(f) کی استحکام کی درجہ بندی تفویض کی گئی ہے۔

فنڈ نے موجودہ مدت کے دوران 8.474 ملین روپے کی مجموعی آمدنی کمائی۔ 0.942 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 7.532 ملین روپے ہے۔ درج ذیل چارٹ NGSSF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ انویسٹمنٹ 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 ٹرسٹی 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 فنانس مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 29 اکتوبر 2021

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

		Un-Audited September 30,2021	Audited June 30,2021
	Note	------(Rupees in '000)-----	
ASSETS			
Bank Balances	4	123,045	141,405
Investments	5	143,686	190,662
Profit receivable		1,584	3,814
Deposits and prepayments		866	943
Total assets		269,181	336,824
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		5,906	5,884
Payable to Central Depository Company of Pakistan Limited - Trustee		12	14
Payable to Securities and Exchange Commission of Pakistan		10	58
Payable against purchase of investments		62,723	108,837
Payable against redemption of units		209	3,000
Accrued expenses and other liabilities		720	6,494
Total liabilities		69,580	124,287
NET ASSETS		199,601	212,537
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		199,601	212,537
CONTINGENCIES AND COMMITMENTS		-	-
Number of units in issue		18,501,655	20,438,133
NET ASSET VALUE PER UNIT		10.7883	10.3991

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

	September 30, 2021	September 30, 2020
INCOME		
Income from Government Securities	2,762	5,597
Income on term deposit receipts	-	1,376
Profit on bank deposits	1,525	2,682
Capital Loss on sale of investments	(85)	(6,993)
Net unrealised diminution on re-measurement of investments classified 'at fair value through profit or loss'	(410)	(1,640)
Total income	3,792	1,022
EXPENSES		
Remuneration of the Management Company	108	259
Sindh sales tax on remuneration of the Management Company	14	34
Allocation of accounting & operational expenses	65	103
Remuneration of Central Depository Company of Pakistan Limited - Trustee	34	67
Sindh sales tax on remuneration of Trustee	4	9
Annual fee - Securities and Exchange Commission of Pakistan	10	21
Legal & Professional charges	29	9
Settlement and bank charges	46	59
Annual listing fee	7	6
Auditors' remuneration	120	111
Fund rating fee	96	84
Printing charges	46	46
Selling and Marketing Expense	363	720
Total Expenses	942	1,528
Net income / (loss) from operating activities	2,850	(506)
Reversal for Sindh Workers' Welfare Fund	4,682	-
Net income / (loss) for the period before taxation	7,532	(506)
Taxation	-	-
Net income / (loss) for the period after taxation	7,532	(506)
Earnings per unit	-	-
Allocation of net income for the period		
- Net income for the period after taxation	7,532	-
- Income already paid on units redeemed	(986)	-
	6,546	-
Accounting income available for distribution:		
- Relating to capital gains	-	-
- Excluding capital gains	6,546	-
	6,546	-

The annexed notes 1 to 13 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended	
	September 30, 2021	September 30, 2020
	------(Rupees in '000)-----	
Net Income / (loss) for the period after taxation	7,532	(506)
Other Comprehensive Income	-	-
Total comprehensive income for the period	7,532	(506)

The annexed notes 1 to 13 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Sep-21			Sep-20		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the year	170,323	42,214	212,537	650,168	42,005	692,173
Issuance of 2,875,747 units (2020: 9,664,809 -						
Income on term deposit receipts						
- Capital value	29,905		29,905	100,021		100,021
-Element of Income	927	-	927	73	-	73
Total proceeds on issuance of units	30,832	-	30,832	100,094		100,094
Redemption of 4,812,225 units (2020: 54,914,660 units)						
- Capital value	(50,043)		(50,043)	(568,312)		(568,312)
-Element of loss	(271)	(986)	(1,257)	749	-	749
Total payments on redemption of units	(50,314)	(986)	(51,300)	(567,563)	-	(567,563)
Total comprehensive Loss / income for the year	-	7,532	7,532	-	(506)	(506)
Net assets at end of the year	150,841	48,760	199,601	182,699	41,499	224,198
Undistributed income brought forward						
- Realised		42,641			21,754	
- Unrealised		(427)			20,251	
		42,214			42,005	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		6,546			-	
		6,546			-	
Total comprehensive loss for the year		-			(506)	
Undistributed income carried forward		48,760			41,499	
Undistributed income carried forward						
- Realised		49,170			43,139	
- Unrealised		(410)			(1,640)	
		48,760			41,499	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			10.3991			10.3490
Net assets value per unit at end of the Period			10.7883			10.3635

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended	
	September 30, 2021	September 30, 2020
	------(Rupees in '000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income / (Loss) for the period	7,532	(506)
Net unrealised diminution on re-measurement of investments classified 'at fair value through profit or loss'	410	1,640
	<u>7,942</u>	<u>1,134</u>
Decrease in assets		
Investments	46,566	323,066
Profit receivable	2,230	2,236
Deposits and prepayments	77	21
	<u>48,873</u>	<u>325,323</u>
(Decrease) / Increase in liabilities		
Payable to the Management Company	22	(749)
Payable to Central Depository Company of Pakistan Limited - Trustee	(2)	(31)
Payable to the Securities and Exchange Commission of Pakistan	(48)	(140)
Payable against purchase of investments	(46,114)	10,288
Accrued expenses and other liabilities	(5,774)	31
	<u>(51,916)</u>	<u>9,399</u>
Net cash generated from operating activities	<u>4,899</u>	<u>335,856</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	30,832	100,439
Net payments on redemption of units	(54,091)	(568,307)
Net cash (used in) operating activities	<u>(23,259)</u>	<u>(467,868)</u>
Net (decrease) in cash and cash equivalents during the period	<u>(18,360)</u>	<u>(132,012)</u>
Cash and cash equivalents at the beginning of the period	141,405	214,955
Cash and cash equivalents at the end of the period	<u><u>123,045</u></u>	<u><u>82,943</u></u>

The annexed notes 1 to 13 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 STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

NBP Government Securities Savings Fund (the Fund) was established under a Trust Deed entered into 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 5, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2014 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited.

The objective of the Fund is to provide unit holders with competitive return from a portfolio of low credit risk securities by investing primarily in government securities.

The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of AM1 as at June 23, 2021 (2020: AM1) to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has maintained the stability rating of "AA-(f)" to the Fund dated March 29, 2021 (2020: "AA-(f)" dated April 17, 2020).

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

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part 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, 2021.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2021.

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

4. BANK BALANCES

	Note	Un-audited As at September 30, 2021 (Rupees in '000)	Audited As at June 30, 2021
In current accounts		-	431
In savings accounts	4.1	<u>123,045</u>	<u>140,974</u>
		<u>123,045</u>	<u>141,405</u>

4.1 These carry a rate of return ranging from 5.75% to 9.00% (June 30, 2021: 6.5% to 9.00%) per annum.

5. INVESTMENTS

	Note	Un-audited September 30, 2021 (Rupees in '000)	Audited As at June 30, 2021
At fair value through Market Treasury Bills	5.1	<u>62,702</u>	108,848
Pakistan Investment Bonds	5.2	<u>80,984</u>	81,814
		<u>143,686</u>	<u>190,662</u>

5.1 Investment in Treasury Bills

Issue date	Tenor in months	Face Value				Market Value (Rs. In '000') September 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Disposed / matured during the period	As at September 30, 2021			
20-May-21	3 Months	-	15,000	15,000	-	-	-	
3-Jun-21	3 Months	110,000	110,000	220,000	-	-	-	
15-Jul-21	3 Months	-	7,000	-	7,000	6,992	3.50	
2-Jul-21	3 Months	-	28,000	28,000	-	-	-	
12-Aug-21	3 Months	-	17,000	-	17,000	16,883	8.46	
12-Aug-21	6 Months	-	15,000	-	15,000	14,588	7.31	
26-Aug-21	6 Months	-	50,000	25,000	25,000	24,239	12.14	
						<u>62,702</u>	<u>31.41</u>	
						<u>62,926</u>	<u>43.64</u>	

Carrying value before fair value adjustment as at September 30, 2021



5.2 Investment in Pakistan Investment Bonds

Issue date	Tenor in months	Face Value				Market Value (Rs. In '000') September 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Disposed / matured during the period	As at September 30, 2021			
19-Jul-22	10	34,000	-	-	34,000	34,944	17.51	24.32
19-Sep-22	3	45,900	-	-	45,900	46,040	23.07	32.04
						80,984	40.57	56.36
Carrying value before fair value adjustment as at September 30, 2021						81,372		

6 PROVISION FOR SINDH WORKERS' WELFARE FUND

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF on August 13, 2021, recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021.

Provisioning against Sindh Workers' Welfare Fund by NBP Government Securities Savings Fund amounting to Rs. 4.72 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Government Securities Savings Fund by 2.33% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

8 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.

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 unitholders as cash dividend. 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, 2022 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 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.82% (September 30, 2020: 1.5%) which includes 0.05% (September 30, 2020: 0.06%) representing Government Levies and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.



11 TRANSACTIONS WITH CONNECTED PERSONS

- 11.1** Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets 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 and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 11.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	(Rupees in '000)	
11.5 Details of the transactions with connected persons are as follows:		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	108	259
Sindh sales tax on remuneration of the Management Company	14	34
Accounting and operational expenses	65	103
Selling and Marketing Expense	363	720
Sales load and transfer generated	40	322
Sales tax on sale load	5	42
ADC charges including Sindh sales tax	3	-
Employees of the Management Company		
Units redeemed / transferred out: 20,031 units (2020: 141,333 units)	215	1,468
Units Issued / transferred in: 9,272 (2020: 257,332 units)	100	2,650
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	34	67
Sindh sales tax on remuneration of Trustee	4	9
National Bank of Pakistan - parent company		
Profit on bank deposits	14	-
BankIslami Pakistan Limited - common directorship*		
Profit on bank balances	24	-
Khushhali Bank Limited - common directorship *		
Profit on bank balances	11	-



	Un-audited As at September 30, 2021	Audited As at June 30, 2021
(Rupees in '000)		
11.6 Amounts outstanding as at period end		
NBP Fund Management Limited - Management Company		
Management remuneration payable	33	34
Sindh Sales Tax payable	6	5
Federal Excise Duty on remuneration of the Management Company	1,865	1,864
Federal Excise Duty on sales load	371	371
Accounting and operational expenses	65	70
Sales load and transfer load payable	2,763	2,724
Sales tax on sale load	379	374
Other payable	45	45
Selling and Marketing expense	363	385
ADC charges payable including Sindh sales tax	16	12
Employees of the Management Company		
Units held: 55,776 (2020: 49,762 units)	602	517
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	11	12
Security deposit	102	102
Sindh Sales Tax payable	1	2
National Bank of Pakistan - Parent Company		
Bank balance in savings account	96	90
Profit receivable	1	1
Bank Islami Pakistan Limited - Common Directorship		
Bank balance in savings account	1,330	781
Profit receivable	7	1
Telenor Microfinance Bank Limited - common directorship		
Bank balance in savings account	80	80
Profit receivable	21	21
Khushhali Bank Limited - common directorship		
Bank balance in savings account	47	46
Profit receivable	21	12
Ms Franey N. Irani - Holding more than 10%		
Units held: 2,297,442 (June 30, 2021: 2,297,442 units)	24,785	23,891

* Prior period comparative has not been shown as the company was not a related party / connected person as at September 30, 2021.



12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 29, 2021.

13 GENERAL

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

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

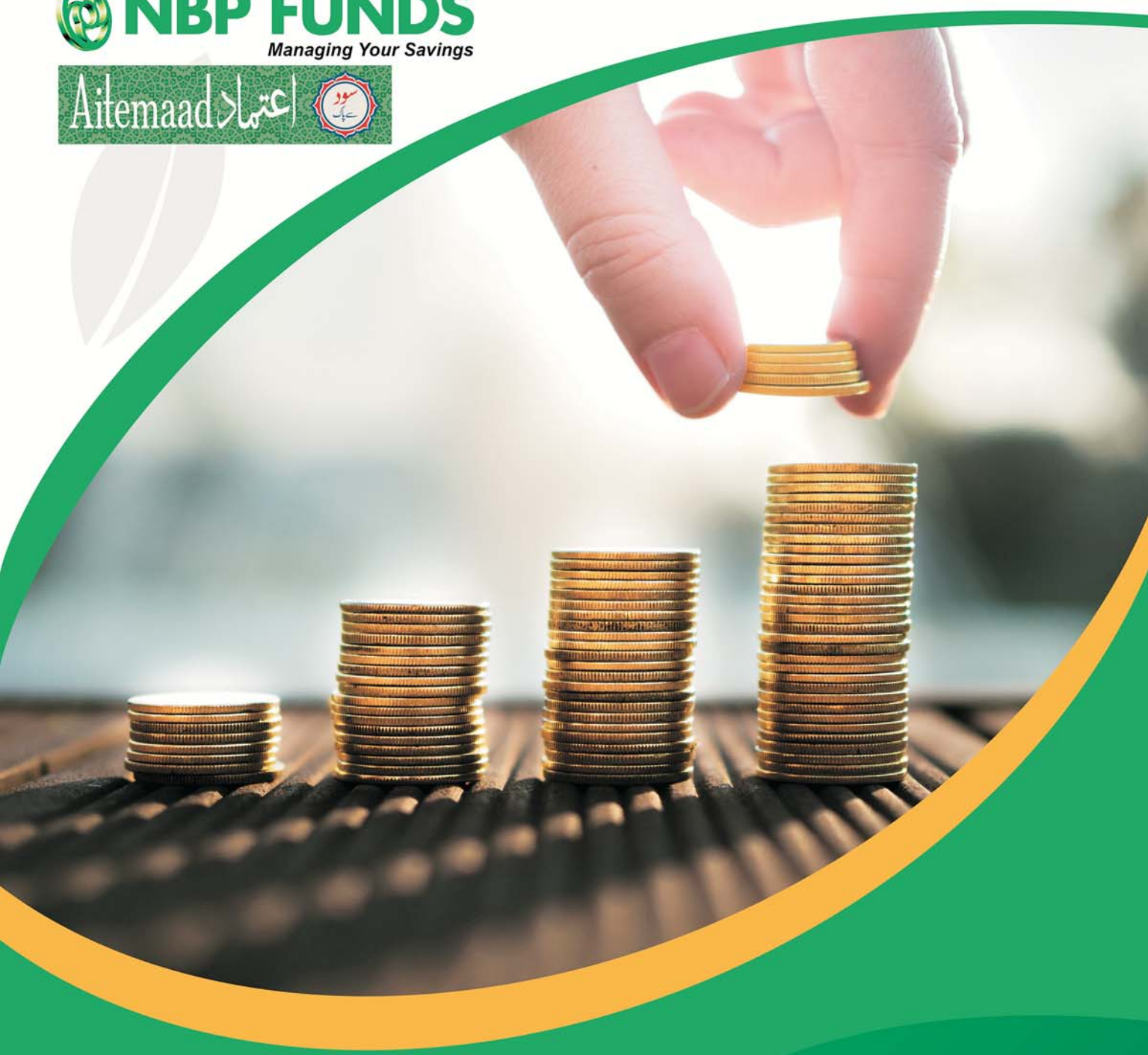
Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpffunds.com

Website: www.nbpffunds.com

 /nbpffunds



NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND

QUARTERLY REPORT
SEPTEMBER 30, 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.**



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS	14



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
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	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
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

Bank Islami Pakistan Limited
Habib Bank Limited
United Bank Limited
Dubai Islamic Bank Limited
Silk Bank Limited
Al Baraka Bank Limited



Auditor

Grant Thornton Anjum Rahman.
1st & 3rd Floor,
Modern Motors House, Beaumont Road,
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.
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(Toll Free): 0800-20002,
Fax: (021) 35825329
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Fax: 92-42-35861095

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Main Double Road, Gulberg Greens,
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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 condensed interim financial statements of **NBP Islamic Active Allocation Equity Fund (NIAAEF)** for the quarter ended September 30, 2021.

Fund's Performance

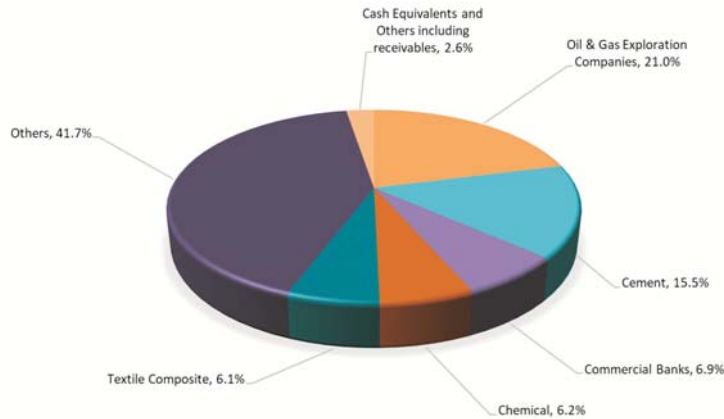
After delivering a robust 39% return in FY21, the stock market lost positive momentum as the benchmark KMI 30 Index fell by 5.6% during 1QFY22. In the first two months of the outgoing quarter, range bound activity was witnessed at the local bourse amid thin trading volumes and lackluster investors' participation. During the month of September, the market came under severe selling pressure with KMI 30 Index slumping by 6.9%.

Despite record profitability and healthy payouts announced by the listed corporate sector for June period, the lackluster market performance during the quarter can be attributable to the following factors. Investors seemed worried about shifting Pak-US relations amid developments in the neighboring Afghanistan with possible spillover effects on Pakistan. Adding to investors' angst was the widening Current Account Deficit (CAD) that clocked-in at USD 1.5 billion in August 2021 and USD 800 million in the previous month. Furthermore, the steady devaluation of the PKR versus US dollar coupled with rising industrial raw material and energy prices have ignited concerns on the corporate profitability outlook. In a bid to contain the consumption led demand pressure, the SBP's decision to raise the Policy Rate by 0.25% in its MPC meeting held on September 20th, 2021 was also not well received by the market. According to the market talks, leveraged positions of retail investors, who received margin calls after continuous decline in the Index also accelerated the sell-off of equities towards the end of the quarter. On the other hand, the market ignored positive developments on the external account front notably, record inflows in Roshan Digital Account (RDA) amounting to USD 849 million during the quarter, taking the cumulative inflows to USD 2.4 billion and the receipt of USD 2.7 billion from the IMF on account of SDR allocation.

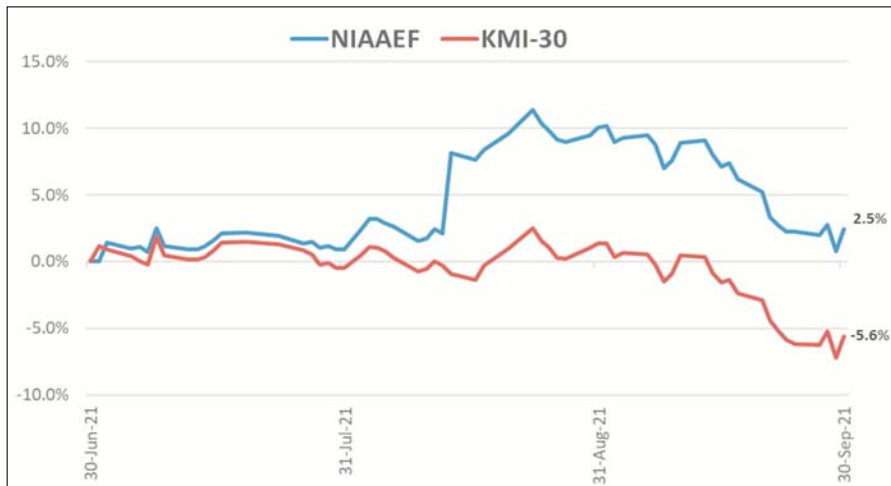
Looking at the sector wise performance of the market, Automobile Assemblers and Accessories, Cements, Engineering, Insurance, Oil & Gas Exploration and Marketing Companies, Paper & Board, Refineries, and Transport sectors underperformed the market, while Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Power Generation and Distribution, Technology, and Textile Composite sectors outperformed the market. In terms of participant-wise activity, Individuals, Other Organizations, and Banks /DFIs remained the largest buyers during the quarter with net inflows of USD 33 million, USD 27 million and USD 21 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 83 million.

The size of NBP Islamic Active Allocation Equity Fund at the end of the period stood at Rs. 569 million, 2% lower than at June 30, 2021. During the period, the unit price of NBP Islamic Active Allocation Equity Fund has increased from Rs. 11.4819 on June 30, 2021 to Rs. 11.7650 on September 30, 2021, thus showing an increase of 2.5%. The Benchmark, KMI-30 Index decreased by 5.6% during the same period. Since inception the NAV of the Fund has increased from Rs. 7.4260 (Ex-Div) on January 18, 2016 to Rs. 11.7650 on September 30, 2020, thus showing an increase of 58.4%. During the said period, the Benchmark increased by 38.5%, translating into outperformance of 19.9%. This performance is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and is not likely to be repeated in the future.

The Fund has earned a total income of Rs. 20.05 million during the period. After deducting total expenses of Rs. 6.73 million, the net income is Rs. 13.32 million. The asset allocation of the Fund as on September 30, 2021 is as follows:



NIAAEF 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: October 29, 2021
 Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ کمپنیز لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2021ء کو ختم ہونے والی سہ ماہی کے لئے NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ (NIAAEF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

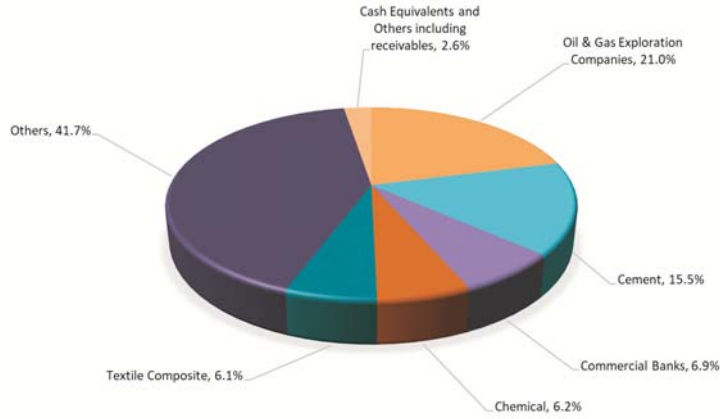
مالی سال 2021 میں 39 فیصد کا بھرپور منافع دینے کے بعد، اسٹاک مارکیٹ کی مثبت رفتار کم ہو گئی جیسا کہ مالی سال 22 کی پہلی سہ ماہی کے دوران بیچ مارک KMI-30 انڈیکس میں 5.6 فیصد کی کمی ہوئی۔ رواں سہ ماہی کے پہلے دو ماہ میں، ریٹج باؤنڈ سرگرمی میں مقامی سطح پر تجارتی حجم اور سرمایہ کاروں کی شرکت کی کمی دیکھی گئی۔ ستمبر کے مہینہ کے دوران، مارکیٹ KMI-30 انڈیکس میں 6.9 فیصد کمی کے ساتھ شدید فروختی دباؤ میں آگئی۔

لینڈ کارپوریٹ کی طرف سے جون کی مدت کے لیے ریکارڈ منافع اور ڈیویڈنڈز کے باوجود، سہ ماہی کے دوران مارکیٹ کی ناقص کارکردگی درج ذیل عوامل سے منسوب کی جاسکتی ہے۔ پڑوسی افغانستان میں پاکستان پر ممکنہ پھیلنے والے اثرات کے ساتھ سرمایہ کار پاک امریکہ تعلقات تبدیل ہو چکے بارے میں پریشان دکھائی دیے۔ سرمایہ کاروں کی ناراضگی میں مزید اضافہ کیا جڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) نے جو کہ اگست 2021 میں تقریباً 1.5 بلین امریکی ڈالر اور پچھلے مہینے میں 800 بلین امریکی ڈالر تھا۔ مزید برآں، امریکی ڈالر کے مقابلے پاکستانی روپیہ کی مسلسل قدر میں کمی کے ساتھ ساتھ صنعتی خام مال اور توانائی کی بڑھتی ہوئی قیمتوں نے کارپوریٹ منافع بخش نقطہ نظر پر تھوڑی سی کمی دیا ہے۔ کھپت کی وجہ سے طلب کے دباؤ پر قابو پانے کے لیے، اسٹیٹ بینک کے 20 ستمبر 2021 کو منفقہ اپنے ایم پی ای اجلاس میں پالیسی کی شرح میں 0.25 فیصد اضافے کے فیصلے کو بھی مارکیٹ میں نہیں سراہا گیا۔ مارکیٹ چنگو نیوں کے مطابق، انڈیکس میں مسلسل کمی کے بعد مارچن کالز وصول کرنے والے ریٹیل سرمایہ کاروں کی لیوریجڈ پوزیشنز نے سہ ماہی کے اختتام پر ایکویٹیز کی فروخت میں بھی اضافہ کر دیا۔ دوسری طرف، مارکیٹ نے بیرونی اکاؤنٹ کے محاذ پر مثبت پیش رفت کو نظر انداز کیا، سہ ماہی کے دوران خاص طور پر روڈ ڈیجیٹل اکاؤنٹ (RDA) میں 849 بلین امریکی ڈالر کی ریکارڈ آمد ہوئی ہے، جس سے مجموعی آمد 2.4 بلین ڈالر اور SDR ایلوکیشن کی مد میں آئی ایم ایف سے 2.7 بلین امریکی ڈالر کی وصولی ہوئی۔

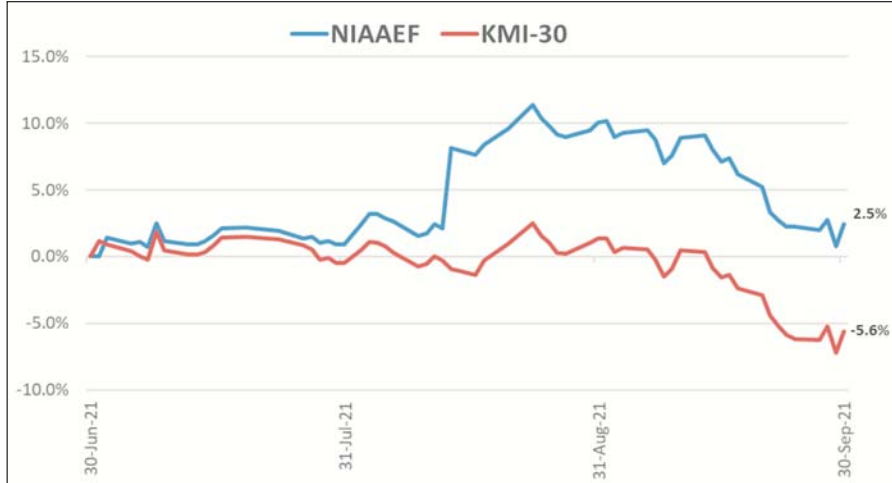
مارکیٹ کی بیکٹرواز کارکردگی کو دیکھتے ہوئے، آٹوموبائل اسمبلر ز اور ایسیریز، سینٹ، انجینئرنگ، انشورنس، آئل اینڈ گیس ایکسپلوریشن اور مارکیٹنگ کمپنیاں، کاغذ اور بورڈ، ریفاٹریز اور ٹرانسپورٹ سیکٹرز نے مارکیٹ سے اتر کارکردگی کا مظاہرہ کیا جبکہ کیمیکل، کمرشل بینک، کھاد، خوراک اور ذاتی گھمداشت، گلاس اینڈ سٹریکس، پاور جنریشن اور ڈسٹری بیوٹن، جیکنا لوجی اور نیٹسٹائل کپوزٹس سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ شرکت دار سرگرمی کے لحاظ سے، افراد، دیگر آرگنائزیشن، اور بینک/DFIs بالترتیب 33 بلین امریکی ڈالر، 27 بلین امریکی ڈالر اور 21 بلین امریکی ڈالر کی خالص آمد کے ساتھ سب سے بڑے خریدار رہے۔ دوسری طرف، غیر ملکی 83 بلین امریکی ڈالر کے خالص اخراج کے ساتھ مارکیٹ میں سب سے بڑے فروخت کنندگان تھے۔

موجودہ مدت کے اختتام پر NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ (NIAAEF) کا ساؤز 569 ملین روپے پر قائم رہا، جو 30 جون 2020 سے 2% کم ہے۔ اس مدت کے دوران، NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ کی یونٹ قیمت 30 جون 2021 کو 11.4819 روپے سے بڑھ کر 30 ستمبر 2021 کو 11.7650 روپے ہو گئی، جو 2.5% کا اضافہ ظاہر کر رہی ہے۔ اسی مدت کے دوران بیچ مارک KMI-30 انڈیکس میں کمی 5.6% تھی۔ اپنے قیام سے اب تک NAV 18 جنوری 2016 کو 11.4260 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2021 کو 11.7650 روپے ہو گیا، لہذا 58.4% کا اضافہ ہوا۔ اس مدت کے دوران بیچ مارک میں 38.5% اضافہ ہوا۔ لہذا فنڈ نے اپنے بیچ مارک سے 19.9% بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈنگ ریورس کر دی گئی۔ اس پروڈنگ کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ نے موجودہ مدت کے دوران 20.05 ملین روپے کی کل آمدنی کمائی ہے۔ 6.73 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 13.32 ملین روپے ہے۔ 30 ستمبر 2021 کے مطابق فنڈ کی ایسٹ ایلوکیشن حسب ذیل ہے:



NIAAEF کی کارکردگی بمقابلہ بیچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ پی سی کورٹیز: اینڈ ایکٹیوٹیج کمیٹی 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۔

مخائب بورڈ آف ڈائریکٹرز

NBP فنانس مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 29 اکتوبر 2021

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

	Un-Audited September 30, 2021	Audited June 30, 2021
Note	(Rupees in '000)	
ASSETS		
Bank balances	8,207	28,948
Investments	554,442	571,886
Receivable against sale of investment	2,989	7,179
Dividend and profit receivable	4,629	435
Deposits, prepayments and other receivables	13,292	15,890
Total assets	583,559	624,338
LIABILITIES		
Payable to NBP Fund Management Limited - the Management Company	5,537	5,477
Payable to Central Depository Company of Pakistan Limited - the Trustee	123	113
Payable to Securities and Exchange Commission of Pakistan	30	124
Payable against redemption of units	6,170	420
Accrued expenses and other liabilities	2,406	37,998
Total liabilities	14,266	44,132
NET ASSETS	569,293	580,206
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)	569,293	580,206
CONTINGENCIES AND COMMITMENTS		
	6	
	-----Number of units-----	
Number of units in issue	48,388,460	50,532,331
	-----Rupees-----	
NET ASSET VALUE PER UNIT	11.7650	11.4819

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2021

	Note	Quarter ended September 30, 2021	Quarter ended September 30, 2020
(Rupees in '000)			
INCOME			
Gain on sale of investments - net		1,816	36,807
Dividend Income		7,432	1,570
Profit on bank deposits		429	664
Net unrealised (diminution) / appreciation on re-measurement as 'financial assets at fair value through profit or loss'		(25,511)	94,820
Total (loss) / income		(15,834)	133,861
EXPENSES			
Remuneration of NBP Fund Management Limited Management Company		2,239	2,473
Sindh sales tax on remuneration of the Management Company		291	322
Remuneration to Central Depository Company of Pakistan Limited- Trustee		298	330
Sindh Sales Tax on remuneration of the Trustee		39	43
Annual fee - Securities and Exchange Commission of Pakistan		30	33
Securities transaction cost		173	383
Settlement and bank charges		143	77
Legal & Professional charges		56	44
Auditors' remuneration		128	115
Accounting and operational charges		279	165
Selling and Marketing Expenses	7	2,994	2,473
Shariah Advisor Fee		20	28
Rating Fee		34	63
Amortization of Formation Cost		-	51
Total Expenses		6,724	6,600
Net (loss) / income from operating activities		(22,558)	127,261
Reversal / (Provision) for Sindh Workers' Welfare Fund	5	35,882	(2,545)
Net income for the period before taxation		13,324	124,716
Taxation	8	-	-
Net income for the period after taxation		13,324	124,716
Allocation of Net income for the period:			
Net income for the period after taxation		13,324	124,716
Income already paid on units redeemed		(2,310)	(34,263)
		11,014	90,453
Accounting income available for distribution			
-Relating to capital gains		-	90,453
-Excluding capital gains		11,014	-
		11,014	90,453

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	(Rupees in '000)	
Net income for the period after taxation	13,324	124,716
Other Comprehensive Income	-	-
Total comprehensive income for the period	<u><u>13,324</u></u>	<u><u>124,716</u></u>

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021			Quarter ended September 30, 2020		
----- Rupees in '000 -----						
	Capital Value	(Accumulated loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at beginning of the period	674,360	(94,154)	580,206	859,763	(196,293)	663,470
Issue of 4,295,175 units (2020: 4,764,543 units)						
- Capital value (at net asset value per unit at the beginning of the period)	49,317	-	49,317	49,587	-	49,587
- Element of (loss) / income	2,688	-	2,688	(4,091)	-	(4,091)
Total proceeds on issuance of units	52,005	-	52,005	45,496	-	45,496
Redemption of 6,439,045 units (2020: 25,457,479 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(73,932)	-	(73,932)	(264,942)	-	(264,942)
- Element of income	-	(2,310)	(2,310)	43,317	(34,263)	9,054
Total payments on redemption of units	(73,932)	(2,310)	(76,242)	(221,625)	(34,263)	(255,888)
Total comprehensive income for the period	-	13,324	13,324	-	124,716	124,716
Net assets at end of the period	652,433	(83,140)	569,293	683,634	(105,840)	577,794
Undistributed loss brought forward						
- Realised loss		(231,420)			(216,060)	
- Unrealised gain		137,266			19,767	
		<u>(94,154)</u>			<u>(196,293)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			90,453	
- Excluding capital gains		11,014			-	
		<u>11,014</u>			<u>90,453</u>	
Undistributed loss carried forward		<u>(83,140)</u>			<u>(105,840)</u>	
Undistributed loss carried forward						
- Realised loss		(57,629)			(200,660)	
- Unrealised (loss) / income		(25,511)			94,820	
		<u>(83,140)</u>			<u>(105,840)</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>11.4819</u>			<u>8.7057</u>
Net assets value per unit at end of the period			<u>11.7650</u>			<u>10.4073</u>

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	13,324	124,716
Adjustments		
Amortization of Formation Cost	-	51
Net unrealised diminution / (appreciation) on re-measurement	25,511	(94,820)
	<u>38,835</u>	<u>29,947</u>
(Increase) / Decrease in assets		
Investments	(8,067)	176,618
Dividend and profit receivable	(4,194)	(1,214)
Receivable against sale of investment	4,190	14,615
Deposits, prepayments and other receivables	2,598	63
	(5,473)	190,082
(Decrease) / Increase in liabilities		
Payable to NBP Fund Management Limited - the Management Company	60	(121)
Payable to Central Depository Company of Pakistan Limited - the Trustee	10	(15)
Payable to Securities and Exchange Commission of Pakistan	(94)	(169)
Accrued expenses and other liabilities	(35,592)	2,550
	(35,616)	2,245
Net cash (used in) / generated from operating activities	<u>(2,254)</u>	<u>222,274</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	52,005	45,496
Net payments on redemption of units	(70,492)	(268,995)
Net cash used in from financing activities	(18,487)	(223,499)
Net (decrease) / increase in cash and cash equivalents during the period	<u>(20,741)</u>	<u>(1,225)</u>
Cash and cash equivalents at the beginning of the period	28,948	46,323
Cash and cash equivalents at the end of the period	<u><u>8,207</u></u>	<u><u>45,098</u></u>

The annexed notes 1 to 12 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 STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Active Allocation Equity Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on November 3, 2015 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Shariah compliant equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan.

The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shariah Compliant listed equity securities. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has maintained an asset manager rating of 'AM1' as on 23 June 2021 to the Management Company and performance ranking "4 Star" to the Fund.).

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

The Trust Act, 1882 has been repealed due to promulgation of the Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company to fulfill the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar (acting under Sindh Trusts Act, 2020)

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;



- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of 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, 2021.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2021.

These condensed interim 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, 2021.
- 3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

4 INVESTMENTS	(Un-audited) September 30, 2021	(Audited) June 30, 2021
	(Rupees in '000)	
Financial assets 'At fair value through profit or loss'	Note	
- Listed equity securities	4.1	571,886
		554,442



4.1 Investments in shares of companies at fair value through profit or loss

Name of the investee company	As at July 1, 2021	Number of shares				Market value as at September 30, 2021	Market value as a percentage of		Paid up capital as a % of investee company held
		Purchased during the period	Bonus / Right shares issued during the period	Sold during the period	As at September 30, 2021		Net assets	Total investments	
		----- Number of shares -----				Rupees in '000'		-----%-----	
AUTOMOBILE ASSEMBLER									
Honda Atlas Car Limited	8,300	3,500	-	1,500	10,300	2,714	0.48	0.49	0.01
Indus Motor Company Limited	-	-	-	-	-	-	-	-	0.00
Millat Tractors Limited	9,563	-	-	-	9,563	10,262	1.80	1.85	0.02
						12,976	2.28	2.34	
AUTOMOBILE PARTS & ACCESSORIES									
Panther Tyres Limited	71,036	20,000	18,207	-	109,243	5,403	0.95	0.97	-
Thal Limited*	16,300	-	-	1,400	14,900	5,786	1.02	1.04	0.02
						11,189	1.02	1.04	
CEMENT									
Fauji Cement Company Limited	428,500	-	-	-	428,500	7,692	1.35	1.39	0.03
Kohat Cement Company Limited	175,530	-	-	13,800	161,730	27,808	4.88	5.02	0.08
Lucky Cement Limited [note 4.1.1]	65,800	1,100	-	-	66,900	48,362	8.50	8.72	0.02
Maple Leaf Cement Factory Limited	156,250	-	-	30,000	126,250	4,444	0.78	0.80	0.01
						88,306	15.51	15.93	
CHEMICAL									
Engro Polymer & Chemicals Limited	426,416	52,000	-	26,000	452,416	24,915	4.38	4.49	0.05
Lotte Chemical Pakistan Limited	189,500	168,000	-	-	357,500	5,001	0.88	0.90	0.02
ICI Pakistan Limited	8,100	-	-	1,500	6,600	5,238	0.92	0.94	0.01
						35,154	6.18	6.33	
COMMERCIAL BANKS									
Meezan Bank Limited	258,042	6,500	36,771	19,400	281,913	39,448	6.93	7.11	0.02
						39,448	6.93	7.11	
ENGINEERING									
Agha Steel Limited	45,500	-	-	45,500	-	-	-	-	-
Aisha Steel Mills Limited	-	68,500	-	-	68,500	1,425	0.25	0.26	0.01
International Industries Limited	10,000	-	-	-	10,000	1,668	0.29	0.30	0.01
International Steels Limited**	6,700	1,300	-	-	8,000	610	0.11	0.11	0.00
Ittefaq Iron Industries Limited	-	-	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	170,240	15,600	-	-	185,840	18,142	3.19	3.27	0.07
						21,845	3.84	3.94	
FERTILIZER									
Engro Corporation Limited [note 4.1.1]	125,090	-	-	13,900	111,190	31,105	5.46	5.61	0.02
						31,105	5.46	5.61	
FOOD & PERSONAL CARE PRODUCTS									
Al Shaheer Corporation Limited	83,247	-	-	73,958	9,289	132	0.02	0.02	0.00
AT Tahur Limited	263,250	41,000	-	28,500	275,750	7,545	1.33	1.36	0.17
Bunnys Limited	-	82,000	-	-	82,000	2,816	0.49	0.51	0.12
Shezan International Limited	-	20,500	-	-	20,500	6,546	1.15	1.18	0.23
Unity Foods Limited	11,000	-	-	11,000	-	-	-	-	0.00
						17,039	2.99	3.07	



Name of the investee company	As at July 1, 2021	Number of shares				Market value as at September 30, 2021	Market value as a percentage of		Paid up capital as a % of investee company held
		Purchased during the period	Bonus / Right shares issued during the period	Sold during the period	As at September 30, 2021		Net assets	Total investments	
		----- Number of shares -----				Rupees in '000'		-----%-----	
GLASS & CERAMICS									
Ghani Global Glass Limited	154,200	-	-	154,200	-	-	-	-	0.00
Shabir Tiles Limited	240,000	116,000	-	-	356,000	10,851	1.91	1.96	0.22
Tariq Glass Industries Limited	117,563	-	-	2,800	114,763	11,643	2.05	2.10	0.10
						22,494	3.96	4.06	
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	28,017	1,000	-	1,360	27,657	42,962	7.55	7.75	0.02
Oil & Gas Development Co. Limited [note 4.1.1]	358,300	16,800	-	3,000	372,100	31,182	5.48	5.62	0.01
Pakistan Oilfields Limited [note 4.1.1]	43,720	-	-	4,900	38,820	14,571	2.56	2.63	0.01
Pakistan Petroleum Limited [note 4.1.1]	430,980	-	-	17,400	413,580	30,981	5.44	5.59	0.02
						119,696	21.03	21.59	
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	6,850	-	-	1,700	5,150	1,494	0.26	0.27	0.01
Pakistan State Oil Company Limited	88,598	7,000	-	4,800	90,798	18,249	3.21	3.29	0.02
Sui Northern Gas Pipelines Limited	30,400	-	-	-	30,400	1,383	0.24	0.25	0.00
						21,126	3.71	3.81	
PAPER & BOARD									
Packages Limited	2,200	-	-	2,200	-	-	-	-	0.00
Roshan Packages Limited	115,500	-	-	-	115,500	2,876	0.51	0.52	0.08
						2,876	0.51	0.52	
PHARMACEUTICALS									
AGP Limited	41,500	2,000	-	28,800	14,700	1,687	0.30	0.30	0.01
Abbott Laboratories (Pakistan) Limited	-	1,200	-	-	1,200	927	0.16	0.17	0.00
Citi Pharma Limited	-	92,775	-	30,000	62,775	2,820	0.50	0.51	0.03
Glaxosmithkline Pakistan Limited	24,100	-	-	14,900	9,200	1,360	0.24	0.25	0.00
Hlghnoon Laboratories Limited	1,980	1,850	-	-	3,830	2,373	0.42	0.43	0.01
IBL Health Care Limited	17,500	24,500	-	5,100	36,900	3,332	0.55	0.62	0.07
The Searle Company Limited	54,865	1,200	-	5,500	50,565	10,189	1.79	1.84	0.02
						22,688	3.96	4.12	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited [note 4.1.1]	432,690	-	-	12,500	420,190	30,897	5.43	5.57	0.03
						30,897	5.43	5.57	
SUGAR AND ALLIED INDUSTRIES									
Faran Sugar Mills Limited	29,000	-	-	26,000	3,000	123	0.02	0.02	0.01
						123	0.02	0.02	
TECHNOLOGY & COMMUNICATION									
Systems Limited	48,865	-	-	1,900	46,965	34,168	6.00	6.16	0.04
						34,168	6.00	6.16	



Name of the investee company	As at July 1, 2021	Number of shares				Market value as at September 30, 2021	Market value as a percentage of		Paid up capital as a % of investee company held
		Purchased during the period	Bonus / Right shares issued during the period	Sold during the period	As at September 30, 2021		Net assets	Total investments	
		----- Number of shares -----				Rupees in '000'		-----%-----	
TEXTILE COMPOSITE									
Interloop Limited	129,629	-	-	-	129,629	9,226	1.62	1.66	0.01
Kohinoor Textile Mills Limited	149,157	35,000	-	-	184,157	12,790	2.25	2.31	0.06
Nishat Mills Limited [note 4.1.1]	162,100	-	-	23,900	138,200	12,557	2.21	2.26	0.04
						34,573	6.08	6.23	
TRANSPORT									
Pakistan National Shipping Corporation	17,000	-	-	17,000	-	-	-	-	0.00
MISCELLANEOUS									
Tri-Pack Films Limited	-	39,400	-	-	39,400	7,801	1.37	1.41	0.10
Pakistan Aluminium Beverage Cans Limited	-	58,189	-	38,689	19,500	765	0.13	0.14	0.01
Synthetic Products Limited	4,330	-	-	-	4,330	173	0.03	0.03	0.00
						8,739	1.53	1.58	
Total						554,442	97.39	100.00	
Carrying value as September 30, 2021						579,953			
Market value as at June 30, 2021						571,886			
Carrying value as June 30, 2021						434,620			

* All shares have a nominal face value of Rs 10 each except for shares of Agriauto Industries Limited, Thal Limited and Dynea Pakistan Limited which have a face value of Rs 5 each.

** These represent transactions in shares of related parties.

4.1.1 Investments include shares with market value of Rs. 95.471 million (June 30, 2021: Rs. 97.38 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 SECP.

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF on August 13, 2021 recognised in the financial statements of the Funds, for the period from January 18, 2016 to August 12, 2021.

Provisioning against Sindh Workers' Welfare Fund by NBP Islamic Active Allocation Equity Fund amounting to Rs. 36.13 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Islamic Active Allocation Equity Fund by 6.42% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.



6 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2021 and June 30, 2021.

7 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 2.05% (2020: 1.50%) 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 as cash dividend. 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, 2022 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 September 30, 2021 is 4.51% (September 30, 2020: 5.57%) which includes 0.24% (September 30, 2020: 1.79%) representing government levies on the Fund such as sales taxes, annual fee to SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant equity scheme'.

10 TRANSACTIONS WITH CONNECTED PERSONS

- 10.1** Connected persons include NBP Fund Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and its connected persons, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 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 and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.



- 10.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

	Un-audited Quarter Ended September 30, 2021	Un-audited Quarter Ended September 30, 2020
	(Rupees in '000)	
10.5 Details of the transactions with connected persons during the period are as follows:		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	2,239	2,473
Sindh sales tax on remuneration of the Management Company	291	322
Accounting and operational charges to the Management Company	279	165
Selling and marketing expense	2,994	2,473
NAFA Islamic Active Allocation Fund - I (Plan I)		
Units issued: 413,080 units (2020: nil Units)	5,072	-
Units redeemed: 110,232 units (2020: 532,159 Units)	1,306	5,273
NAFA Islamic Active Allocation Fund - I (Plan II)		
Units issued: 329,436 units (2020: 28,376 Units)	4,043	300
Units redeemed: 92,408 units (2020: 705,744 unit)	1,090	6,793
NAFA Islamic Active Allocation Fund - I (Plan III)		
Units issued: 712,969 units (2020: 194,497 Units)	8,565	2,100
Units redeemed: 1,051,438 units (2020: 3,248,069 Units)	12,300	32,198
NAFA Islamic Active Allocation Fund - I (Plan IV)		
Units issued: 521,787 units (2020: nil units)	6,186	-
Units redeemed: 409,841 units (2020: 3,731,406 units)	4,900	36,702
NAFA Islamic Active Allocation Fund - I (Plan V)		
Units issued: 128,585 Units (2020: nil units)	1,505	-
Units redeemed: 445,207 Units (2020: 4,740,287 units)	5,426	48,125
NAFA Islamic Active Allocation Fund - II (Plan VI)		
Units issued: 87,730 Units (2020: 47,293 units)	1,025	500
Units redeemed: 332,690 Units (2020: 3,717,815 units)	3,911	37,358
NAFA Islamic Active Allocation Fund - II (Plan VII)		
Units issued: 109,244 Units (2020: nil units)	1,295	-
Units redeemed: 90,058 Units (2020: 1,082,882 units)	1,100	10,906
NAFA Islamic Active Allocation Fund - II (Plan VIII)		
Units issued: 8,483 units (2020: 104,044 Units)	100	1,100
Units redeemed: 487,378 Units (2020: 6,457,232 units)	5,800	66,027
NAFA Islamic Capital Preservation Plan I		
Units issued: Nil Units (2020: 1,885,040 units)	-	17,240
Units redeemed: 1,492,252 Units (2020: 517,206 units)	17,451	5,300
NAFA Islamic Capital Preservation Plan II		
Units issued: Nil Units (2020: 1,673,499 units)	-	16,152
Units redeemed: 552,044 Units (2020: 322,176 units)	6,701	3,400



	Un-audited Quarter Ended September 30, 2021	Un-audited Quarter Ended September 30, 2020
	(Rupees in '000)	
NAFA Islamic Capital Preservation Plan III		
Units issued: 1,154,634 Units (2020: 831,795 units)	14,077	8,103
Units redeemed: 882,139 Units (2020: 121,584 units)	10,400	1,300
NAFA Islamic Capital Preservation Plan IV		
Units issued: 1,154,634 Units (2020: nil units)	5,521	-
Units redeemed: 296,632 Units (2020: 91,674 units)	3,529	818
NBP Islamic Capital Preservation Plan V		
Units issued: 378,315 Units (2020: nil units)	4,616	-
Units redeemed: 196,728 Units (2020: 189,245 units)	2,328	1,688
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	298	330
Sales Tax	39	43
Settlement Charges	8	12
International Steel Limited - Common Directorship		
Shares purchased - 1,300 (2020 : nil sharets)	132	-
Dividend income	56	2,960
Hub Power Company Limited - Common Directorship *		
Shares sold - nil (2020: 53,500 shares)	-	4,392
National Clearing Company of Pakistan Limited - Common Directorship		
Settlement Charges	80	56
Bank Islami Pakistan Limited - Common Directorship		
Profit Income	304	410
Taurus Securities Limited - Subsidiary of Parent Company		
Brokerage expense	5	32
	Un-audited	Audited
	September 30,	June 30,
	2021	2020
	(Rupees in '000)	
10.6 Amounts outstanding as at period end		
NBP Fund Management Limited - Management Company		
Management remuneration payable	747	756
Sindh sales tax on remuneration	97	98
Federal excise duty on remuneration	1,420	1,420
Selling and marketing expense	2,994	2,980
Accounting and operational charges	279	223
NAFA Islamic Active Allocation Fund - I (Plan I)		
Units held - 1,562,339 (June 2021: 1,259,492)	18,381	14,461
NAFA Islamic Active Allocation Fund - I (Plan II)		
Units held - 2,004,229 (June 2021: 1,767,201)	23,580	20,291



	Un-audited September 30, 2021 (Rupees in '000)	Audited June 30, 2020
NAFA Islamic Active Allocation Fund - I (Plan III)		
Units held - 9,639,704 (June 2021: 9,978,173)	113,411	114,568
NAFA Islamic Active Allocation Fund - I (Plan IV)		
Units held - 9,861,901 (June 2021: 9,749,954)	116,025	111,948
NAFA Islamic Active Allocation Fund - I (Plan V)		
Units held - 5,284,590 (June 2021: 5,601,212)	62,173	64,313
NAFA Islamic Active Allocation Fund - II (Plan VI)		
Units held - 3,196,577 (June 2021: 3,441,537)	37,608	39,515
NAFA Islamic Active Allocation Fund - II (Plan VII)		
Units held - 1,946,744 (June 2021: 1,927,557)	22,903	22,132
NAFA Islamic Active Allocation Fund - II (Plan VIII)		
Units held - 3,598,378 (June 2021: 4,077,274)	42,335	46,815
NAFA Islamic Capital Preservation Plan I		
Units held - 4,135,970 (June 2021: 5,628,222)	48,660	64,623
NAFA Islamic Capital Preservation Plan II		
Units held - 3,407,029 (June 2021: 3,959,073)	40,084	45,458
NAFA Islamic Capital Preservation Plan III		
Units held - 2,420,426 (June 2021: 2,147,932)	28,476	24,662
NAFA Islamic Capital Preservation Plan IV		
Units held - 741,563 (June 2021: 587,282)	8,724	6,743
NBP Islamic Capital Preservation Plan V		
Units held - 589,009 (June 2021: 407,422)	6,930	4,678
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	98	100
Sindh Sales Tax payable on remuneration of Trustee	25	13
Settlement Charges payable	104	29
Security deposit	100	100
Bank Islami Pakistan Limited - Common Directorship		
Bank balances	7,290	17,455
Profit receivable	86	133
Hub Power Company Limited - Common Directorship *		
Shares held - nil (June 2021: 432,690)	-	34,472



	Un-audited September 30, 2021 (Rupees in '000)	Audited June 30, 2020
International Steels Limited - Common Directorship		
Shares held - 8,000 (June 2021: 6,700)	610	626
Dividend Income	56	-
National Clearing Company of Pakistan Limited - Common Directorship		
NCCPL Charges payable	27	29
Security deposit	2,500	2,500
Taurus Securities Limited - Subsidiary of Parent Company		
Brokerage Payable	-	9

* Current year figure has not been represented as the person ceased to be a related party / connected person of the Fund as at September 30, 2021

** Prior year comparative has not been presented as the person was not a related party / connected person of the Fund as at September 30, 2020.

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 29, 2021.

12 GENERAL

12.1 Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

12.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

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Website: www.nbpffunds.com

 /nbpffunds



NBP ISLAMIC DAILY DIVIDEND FUND

QUARTERLY REPORT
SEPTEMBER 30, 2021

AM1
Rated by PACRA



MISSION STATEMENT

**To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.**



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS	14



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
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	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
Mr. Tauqeer Mazhar	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 Shahr-e-Faisal, Karachi.

Bankers to the Fund

Askari Bank Limited
Bank Alhabib Limited
United Bank Limited
Meezan Bank Limited
Habib Bank Limited
Dubai Islamic Bank Limited
Allied Bank Limited
National Bank Of Pakistan
JS Bank Limited
Bank Islami Pakistan Limited
Zarai Taraqiati Bank Limited
Faysal 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.nbpffunds.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 condensed Interim financial statements of **NBP Islamic Daily Dividend Fund (NIDDF)** for the quarter ended September 30, 2021.

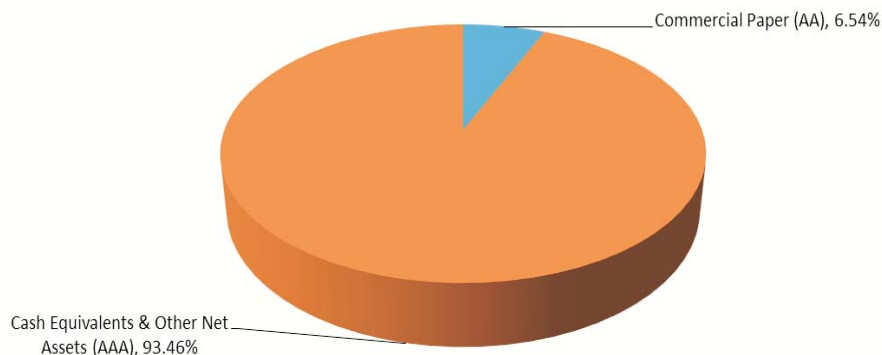
Fund's Performance

During 1QFY22, the market witnessed a sizable issuance of Shariah Compliant commercial papers from the corporates to meet their increasing funding need for working capital / bridge financing for fixed capital investments. Inflation as measured by the CPI clocked-in at 9.0% on year-on-year basis in September 2021 as compared to 8.4% in the previous month and 9.0% in September 2020. Amid sharp spike in prices of food component, CPI increased by 2.1% on a month-on-month basis in September 2021 as compared to an increase of 1.5% in September 2020. After maintaining status quo for about fifteen months, in its meeting held on September 20th, the SBP raised the Policy Rate by 25 basis points to 7.25%. While acknowledging the needed appropriate policy mix, the SBP cited that "looking ahead, in the absence of unforeseen circumstances, the MPC expects monetary policy to remain accommodative in the near term, with possible further gradual tapering of stimulus."

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

The size of NBP Islamic Daily Dividend Fund has decreased from Rs. 13,292 million to Rs. 13,144 million during the period (i.e., a fall of 1%). During the period, the unit price of the Fund has increased from Rs. 9.8179 (Ex-Div) on June 30, 2021 to Rs. 10.0000 on September 30, 2021, thus showing return of 7.4% p.a. as compared to the benchmark return of 3.3% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and is not likely to be repeated in the future.

The Fund has earned a total income of Rs. 270.172 million during the period. After deducting total expenses of Rs. 13.014 million, the net income is Rs. 257.158 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIDDF.





Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 7.4% of the opening ex-NAV (7.4% of the par value) for the period ended September 30, 2021

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: **October 29, 2021**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2021ء کو ختم ہونے والی پہلی سہ ماہی کے لئے NBP اسلامک ڈیلی ڈیویڈنڈ فنڈ (NIDDF) کے غیر جانچ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

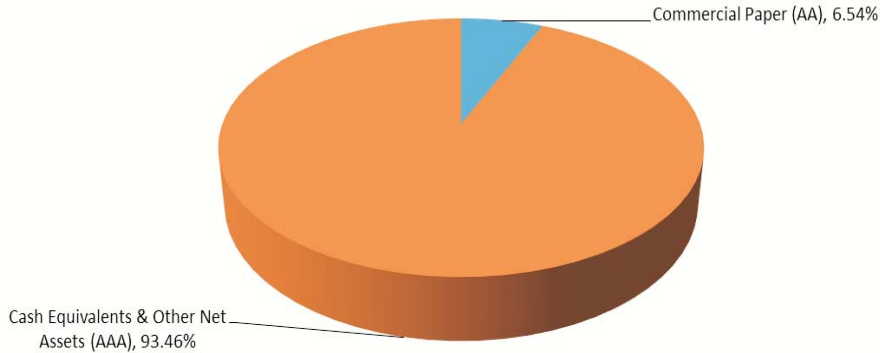
فنڈ کی کارکردگی

مالی سال 22 کی پہلی سہ ماہی کے دوران، مارکیٹ نے مقررہ کیپٹل سرمایہ کاری کے لئے ورکنگ کیپٹل ابرج فنانسنگ کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لئے کارپوریٹس سے شریعہ کمپلیٹ کمرشل پیپرز کا قابل ذکر اجراء کا مشاہدہ کیا۔ CPI کی طرف سے پیمائش کردہ افراط زر گزشتہ ماہ میں 8.4% اور ستمبر 2020 میں 9.0% کے مقابلے میں ستمبر 2021 میں سالانہ بنیاد پر تقریباً 9.0% رہی۔ خوراک کے اجزاء کی قیمتوں میں تیز اضافہ کے درمیان، CPI ستمبر 2020 میں 1.5% بڑھنے کے مقابلے میں ستمبر 2021 میں ماہانہ بنیاد پر 2.1% تک بڑھ گیا۔ تقریباً پندرہ ماہ تک پرانا نظام برقرار رکھنے کے بعد، 20 ستمبر کو منعقدہ اپنے اجلاس میں، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی شرح میں 25 پیسز پوائنٹس کے اضافہ کے ساتھ 7.25% تک زیادہ کردی۔ مطلوبہ موزوں پالیسی کس کو تسلیم کرتے ہوئے، اسٹیٹ بینک نے حوالہ دیا کہ "غیر متوقع حالات کی عدم موجودگی میں، آگے دیکھتے ہوئے، ایم پی سی توقع کرتی ہے کہ مالیاتی پالیسی مستقبل قریب میں موزوں رہے گی، ممکنہ طور پر مزید تدریج کی آئے گی۔"

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

NBP اسلامک ڈیلی ڈیویڈنڈ فنڈ کا سائز 13,292 ملین روپے سے کم ہو کر زیر جائزہ مدت کے دوران 13,144 ملین روپے ہو گیا یعنی 1% کی کمی ہوئی۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو (Ex-Div) 9.8179 روپے سے بڑھ کر 30 ستمبر 2021 کو 10.000 روپے ہو گئی۔ لہذا فنڈ نے اسی مدت میں بیچ مارک منافع 3.3% کے مقابلے میں 7.4% کا سالانہ منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروویڈنٹس کی کمی ہوئی۔ اس پروویڈنٹس کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

مدت کے دوران فنڈ کو 270.172 ملین روپے کی مجموعی آمدنی ہوئی۔ 13.014 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 257.158 ملین روپے ہے۔ درج ذیل چارٹ NIDDF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





آمدنی کی تقسیم

میٹجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لئے اوپننگ ex-NAV کا 7.4% (بنیادی قدر کا 7.4%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میٹجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ اینڈ اسٹیٹس کمپنیز کیٹچ میٹجمنٹ 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 ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 29 اکتوبر 2021

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

	Note	(Un-audited) September 30, 2021	Audited June 30, 2021
-----Rupees in '000-----			
ASSETS			
Bank balances	4	12,239,163	11,427,064
Investments	5	859,081	1,827,925
Profit receivable		62,991	77,956
Prepayments, deposits and other receivables		712	738
Preliminary expenses and floatation costs		732	788
Total assets		13,162,679	13,334,471
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		8,537	8,457
Payable to Central Depository Company of Pakistan Limited - Trustee		808	829
Payable to the Securities and Exchange Commission of Pakistan		703	2,749
Payable against redemption / conversion of units		486	-
Accrued expenses and other liabilities		8,290	30,364
Total liabilities		18,824	42,399
NET ASSETS		13,143,855	13,292,072
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		13,143,855	13,292,072
CONTINGENCIES AND COMMITMENTS			
	7	Number of units	Number of units
NUMBER OF UNITS IN ISSUE		1,314,386,079	1,329,208,831
		Rupees	
NET ASSET VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30 2021	Quarter Ended September 30 2020
	-----Rupees in '000-----	
INCOME		
Loss on sale of investments - net	(59)	-
Income on sukuk certificates	-	3,940
Income on term deposit receipts	15,466	26,150
Income on commercial papers	35,672	24,653
Income on letter of placements	9,938	23,323
Profit on bank deposits	186,751	105,874
Total income	247,768	183,940
EXPENSES		
Remuneration of NBP Fund Management Limited - Management Company	3,725	2,608
Sindh sales tax on remuneration of the Management Company	484	339
Allocated expenses	4,392	2,608
Selling and marketing expense	510	5,215
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,284	1,695
Sindh sales tax on remuneration of the Trustee	297	220
Annual fee of the Securities and Exchange Commission of Pakistan	703	522
Amortisation of preliminary expenses and floatation costs	127	60
Auditors' remuneration	571	105
Legal and professional charges	46	18
Listing fee	7	11
Shariah advisor fee	113	46
Settlement and bank charges	223	46
Printing expenses	5	6
Rating fee	47	38
Total operating expenses	13,014	13,537
Net income from operating activities	234,754	170,403
Reversal / (Provision) against Sindh Workers' Welfare Fund	22,404	(3,408)
Net income for the period before taxation	257,158	166,995
Taxation	-	-
Net income for the period after taxation	257,158	166,995
Earnings per unit	-	-
Allocation of net income for the period		
- Net income for the period after taxation	257,158	166,995
- Income already paid on units redeemed	-	-
	257,158	166,995
Accounting income available for distribution:		
- Relating to capital gains	-	-
- Excluding capital gains	257,158	166,995
	257,158	166,995

The annexed notes 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30 2021	Quarter Ended September 30 2020
	-----Rupees in '000-----	
Net income for the period after taxation	257,158	166,995
Other comprehensive income for the period	-	-
Total comprehensive income for the period	257,158	166,995

The annexed notes 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2021

	FOR THE QUARTER ENDED SEPTEMBER 30, 2021			FOR THE QUARTER ENDED SEPTEMBER 30, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Note	----- Rupees in '000 -----			----- Rupees in '000 -----		
Net assets at beginning of the period	13,292,072	-	13,292,072	8,243,147	-	8,243,147
Issuance of 423,739,477 units (2020: 652,445,057 units)						
- Capital value	4,237,405	-	4,237,405	6,524,491	-	6,524,491
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	4,237,405	-	4,237,405	6,524,491	-	6,524,491
Redemption of 438,562,229 units (2020: 212,936,872 units)						
- Capital value	(4,385,622)	-	(4,385,622)	(2,129,369)	-	(2,129,369)
- Element of loss	-	-	-	-	-	-
Total payments on redemption of units	(4,385,622)	-	(4,385,622)	(2,129,369)	-	(2,129,369)
Total comprehensive income for the period	-	257,158	-	-	166,995	-
Distribution paid	-	(257,158)	-	-	(166,995)	-
Net income for the period less distribution	-	-	-	-	-	-
Net assets at end of the period (un-audited)	13,143,855	-	13,143,855	12,638,269	-	12,638,269
Undistributed income brought forward						
- Realised		-			-	
- Unrealised		-			-	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		257,158			166,995	
		257,158			166,995	
Cash distribution		(257,158)			(166,995)	
Undistributed income carried forward		-			-	
Undistributed income carried forward:						
- Realised income		-			-	
- Unrealised income		-			-	
		-			-	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		10.0000			10.0000	
Net assets value per unit at end of the period		10.0000			10.0000	

The annexed notes 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2021

	QUARTER ENDED SEPTEMBER 30, 2021	QUARTER ENDED SEPTEMBER 30, 2020
-----Rupees in '000-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	257,158	166,995
Adjustments		
Income on sukuk certificates	-	(3,940)
Income on term deposit receipts	(15,466)	(26,150)
Income on commercial papers	(35,672)	(24,653)
Income on letter of placements	(9,938)	(23,323)
Profit on bank deposits	(186,751)	(105,874)
(Reversal) / Provision against Sindh Workers' Welfare Fund	(22,404)	3,408
Amortisation of preliminary expenses and floatation costs	57	60
	(270,174)	(180,472)
Decrease / (increase) in assets		
Prepayments, deposits and other receivables	26	135
Investments - net	968,844	(1,797,418)
	968,870	(1,797,283)
(Decrease) / increase in liabilities		
Payable to NBP Fund Management Limited - Management company	80	726
Payable to Central Depository Company of Pakistan Limited - Trustee	(21)	245
Payable to the Securities and Exchange Commission of Pakistan	(2,046)	30
Accrued expenses and other liabilities	330	1,674
	(1,657)	2,675
Profit received on bank balances	262,791	68,504
Net cash generated from / (used in) operating activities	1,216,988	(1,739,581)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	4,237,405	6,524,491
Amount paid against redemption of units	(4,385,136)	(2,139,533)
Distributions paid	(257,158)	(166,995)
Net cash (used in) / generated from financing activities	(404,889)	4,217,963
Net increase in cash and cash equivalents during the period	812,099	2,478,382
Cash and cash equivalents at the beginning of the period	11,427,064	5,063,693
Cash and cash equivalents at the end of the period	12,239,163	7,542,075

The annexed notes 1 to 14 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 STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Daily Dividend Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on September 23, 2019 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended Shariah compliant money market fund by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from November 2, 2019 and are transferable and redeemable by surrendering them to the Fund.

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

The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 (2020: AM1 on June 24, 2020) on June 23, 2021. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has maintained the stability rating of AA(f) to the Fund dated April 16, 2021 (2020: AA(f) dated April 17, 2020).

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

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part 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, 2021.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2021.

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

4	BANK BALANCES	Note	(Un-audited)	Audited
			September 30, 2021	June 30, 2021
			-----Rupees in '000-----	
	Savings accounts	4.1	12,228,694	11,412,546
	Current accounts		10,469	14,518
			12,239,163	11,427,064

4.1 These accounts carry profit at the rates ranging from 6.5% to 7.58% (30 June 2020: 6.6% to 7.4%) per annum.

5	INVESTMENTS	Note	(Un-audited)	Audited
			September 30, 2021	June 30, 2021
			-----Rupees in '000-----	
	Islamic commercial papers	5.1	859,081	1,723,925
	Term deposit receipts		-	104,000
			859,081	1,827,925

5.1 Commercial paper

Name of Investee Company	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, 2021	Purchased during the period	Disposed of / matured during the period	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021		
K-Electric Limited 19-APR-21 19-OCT-21	480,000	-	-	480,000	478,109	478,109	55.65	3.64
K-Electric Limited 12-JUL-21 12-JAN-22	-	240,000	-	240,000	234,723	234,723	27.32	1.79
K-Electric Limited 27-JUL-21 27-JAN-22	-	150,000	-	150,000	146,249	146,249	17.02	1.11
Total as at September 30, 2021					859,081	859,081	100.00	6.54
Total as at June 30, 2021					1,723,925			



6 PROVISION FOR SINDH WORKERS' WELFARE FUND

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period since inception to August 12, 2021, on August 13, 2021.

Provisioning against Sindh Workers' Welfare Fund by NBP Islamic Daily Dividend Fund amounting to Rs. 24.62 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Islamic Daily Dividend Fund by 0.17% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

8 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 0.02% per annum of the net assets of the Fund.

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 unitholders as cash dividend. 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, 2022 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 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 0.37% (September 30, 2020: 0.65%) which includes 0.04% (September 30, 2020: 0.17%) representing Government Levies and the SECP Fee. The prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a Shariah compliant money market scheme.

11 INTERIM DISTRIBUTION

The Fund makes distribution on daily basis as per clause 12.1 of the Trust Deed and clause 1.4 of the Offering Document and re-invests the distributed dividend as per clause 1.4 of the Offering Document. During the period ended September 30, 2021, the Management Company on behalf of the Fund, has distributed total profit earned during the period amounting to Rs 257.158 million as dividend after deducting applicable taxes.



Payout Date	Payout Per Unit Rupees	Payout Date	Payout Per Unit Rupees	Payout Date	Payout Per Unit Rupees
July 1, 2021	0.0019	August 1, 2021	0.0018	September 1, 2021	0.0018
July 2, 2021	0.0019	August 2, 2021	0.0018	September 2, 2021	0.0018
July 3, 2021	0.0020	August 3, 2021	0.0017	September 3, 2021	0.0018
July 4, 2021	0.0019	August 4, 2021	0.0018	September 4, 2021	0.0018
July 5, 2021	0.0019	August 5, 2021	0.0018	September 5, 2021	0.0018
July 6, 2021	0.0018	August 6, 2021	0.0017	September 6, 2021	0.0018
July 7, 2021	0.0017	August 7, 2021	0.0018	September 7, 2021	0.0018
July 8, 2021	0.0018	August 8, 2021	0.0017	September 8, 2021	0.0018
July 9, 2021	0.0017	August 9, 2021	0.0018	September 9, 2021	0.0017
July 10, 2021	0.0018	August 10, 2021	0.0018	September 10, 2021	0.0018
July 11, 2021	0.0017	August 11, 2021	0.0018	September 11, 2021	0.0018
July 12, 2021	0.0018	August 12, 2021	0.0017	September 12, 2021	0.0018
July 13, 2021	0.0018	August 13, 2021	0.0185	September 13, 2021	0.0018
July 14, 2021	0.0017	August 14, 2021	0.0018	September 14, 2021	0.0018
July 15, 2021	0.0018	August 15, 2021	0.0018	September 15, 2021	0.0018
July 16, 2021	0.0018	August 16, 2021	0.0018	September 16, 2021	0.0019
July 17, 2021	0.0017	August 17, 2021	0.0018	September 17, 2021	0.0020
July 18, 2021	0.0018	August 18, 2021	0.0018	September 18, 2021	0.0019
July 19, 2021	0.0018	August 19, 2021	0.0018	September 19, 2021	0.0019
July 20, 2021	0.0017	August 20, 2021	0.0019	September 20, 2021	0.0019
July 21, 2021	0.0018	August 21, 2021	0.0018	September 21, 2021	0.0020
July 22, 2021	0.0018	August 22, 2021	0.0018	September 22, 2021	0.0020
July 23, 2021	0.0017	August 23, 2021	0.0018	September 23, 2021	0.0019
July 24, 2021	0.0018	August 24, 2021	0.0018	September 24, 2021	0.0020
July 25, 2021	0.0017	August 25, 2021	0.0018	September 25, 2021	0.0019
July 26, 2021	0.0018	August 26, 2021	0.0018	September 26, 2021	0.0020
July 27, 2021	0.0018	August 27, 2021	0.0018	September 27, 2021	0.0020
July 28, 2021	0.0017	August 28, 2021	0.0018	September 28, 2021	0.0020
July 29, 2021	0.0018	August 29, 2021	0.0018	September 29, 2021	0.0019
July 30, 2021	0.0018	August 30, 2021	0.0018	September 30, 2021	0.0020
July 31, 2021	0.0017	August 31, 2021	0.0018		

12 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

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



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

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

	Quarter Ended September 30 2021	Quarter Ended September 30 2020
Rupees in '000		
NBP Fund Management Limited - Management Company		
Remuneration of NBP Fund Management Limited - Management Company	3,725	2,608
Sindh sales tax on remuneration of the Management Company	484	339
Allocated expenses	4,392	2,608
Selling and marketing expense	510	5,215
Sales and transfer load	55	129
Sindh sales tax on sales and transfer load	7	17
Preliminary expenses and floatation costs borne by the Management Company	57	60
ADC charges including Sindh sales tax	13	-
Other expenses borne by the Management Company		1,341
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,284	1,695
Sindh sales tax on remuneration of the Trustee	297	220
Employees of NBP Fund Management Limited		
Dividend re-invest units issued: 17,453 (2020: 979 units)	175	10
Units issued: 236,938 (2020: 8,413 units)	2,369	84
Units redeemed: 437,053 (2020: 69,630 units)	4,371	696
National Bank of Pakistan Limited - parent company		
Profit on bank balances	-	14
Baltoro Partners (Private) Limited - sponsor		
Dividend re-invest units issued: 1,277 (2020: 1,071 units)	13	11
Portfolio managed by the Management Company		
Dividend re-invest units issued: 191,218 (2020: 78,274 units)	1,912	783
Units issued: 41,625,830 (2020: 12,000,000 units)	416,258	120,000
Units Redemption: 19,656,037 (2020: 10,623,495 units)	196,560	106,235
Pakistan Defence Officers Housing Authority - unit holders with more than 10% holding		
Dividend re-invest units issued: 3,975,433	39,754	-
NAFA Islamic Capital Preservation Plan-I*		
Dividend re-invest units issued: 1,753	18	-
Units issued: 2,971,200	29,712	-
NAFA Islamic Capital Preservation Plan-II*		
Dividend re-invest units issued: 1,445	14	-
Units issued: 2,449,200	24,492	-
NAFA Islamic Capital Preservation Plan-III*		
Dividend re-invest units issued: 1,349	13	-
Units issued: 2,286,800	22,868	-
NAFA Islamic Capital Preservation Plan-IV		
Dividend re-invest units issued: 1,321 (2020: 160,429 units)	13	1,604
Units issued: 2,239,200 (2020: 13,250,000 units)	22,392	132,500
Units Redemption: Nil (2020: 5,800,000 units)	-	58,000
NAFA Islamic Capital Preservation Plan-V		
Dividend re-invest units issued: 1,464 (2020: 91,467 units)	15	915
Units issued: 2,480,500 (2020: 7,950,000 units)	24,805	79,500
Units Redemption: Nil (2020: 1,000,000 units)		10,000
Pakistan Stock Exchange Limited**		
Listing fee paid	-	25



12.5 Amounts / balances outstanding as at period end are as follows

As at September 30, 2021	As at June 30, 2021
-----------------------------	------------------------

Rupees in '000

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	1,100	1,130
Sindh sales tax on remuneration of the Management Company	143	147
Allocated expenses payable	4,392	4,864
Selling and marketing expenses payable	510	-
Sales load payable to Management Company	2,094	2,039
Sindh sales tax payable on sales load	272	265
ADC charges payable including Sindh sales tax	26	12

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee	715	734
Sindh sales tax payable on Trustee remuneration	93	95
Security deposit with Central Depository Company of Pakistan Limited	100	100

Key management personnel of the Management Company

Units outstanding - Units 1,134,937 (June 30, 2021: 435,643)	11,349	4,356
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NAFA Islamic Capital Preservation Plan-I*

Investment held in the Fund: 2,972,953 units (June 30, 2021: Nil units)	29,730	-
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NAFA Islamic Capital Preservation Plan-II*

Investment held in the Fund: 2,450,645 units (June 30, 2021: Nil units)	24,506	-
---	--------	---

NAFA Islamic Capital Preservation Plan-III*

Investment held in the Fund: 2,288,149 units (June 30, 2021: Nil units)	22,881	-
---	--------	---

NAFA Islamic Capital Preservation Plan-IV*

Investment held in the Fund: 2,240,521 units (June 30, 2021: Nil units)	22,405	-
---	--------	---

NAFA Islamic Capital Preservation Plan-V*

Investment held in the Fund: 2,481,964 units (June 30, 2021: Nil units)	24,820	-
---	--------	---

Baltoro Partners (Private) Limited - sponsor

Units outstanding - Units 82,399 (June 30, 2021: 81,132)	824	811
--	-----	-----

Portfolio managed by the Management Company

Units outstanding - Units 38,016,856 (June 30, 2021: 15,855,845 Units)	380,168	158,558
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Feroze1888 Mills Limited - unit holder with more than 10% holding**

Units outstanding - Nil units (2021: 185,299,094 units)	-	1,852,991
---	---	-----------

Pakistan Defence Officers Housing Authority - unit holders with more than 10% holding

Units outstanding - Units 256,490,966 (June 30, 2021: 252,515,533 Units)	2,564,910	2,525,155
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National Bank of Pakistan Limited - parent company

Bank balance	406	133
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BankIslami Pakistan Limited - common directorship

Bank balance	129	2,550
--------------	-----	-------

* Prior period comparative has not been shown as the company was not a related party / connected person as at September 30, 2020.

** Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at September 30, 2021.



13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 29, 2021.

14 GENERAL

- 14.1** Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.
- 14.2** Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

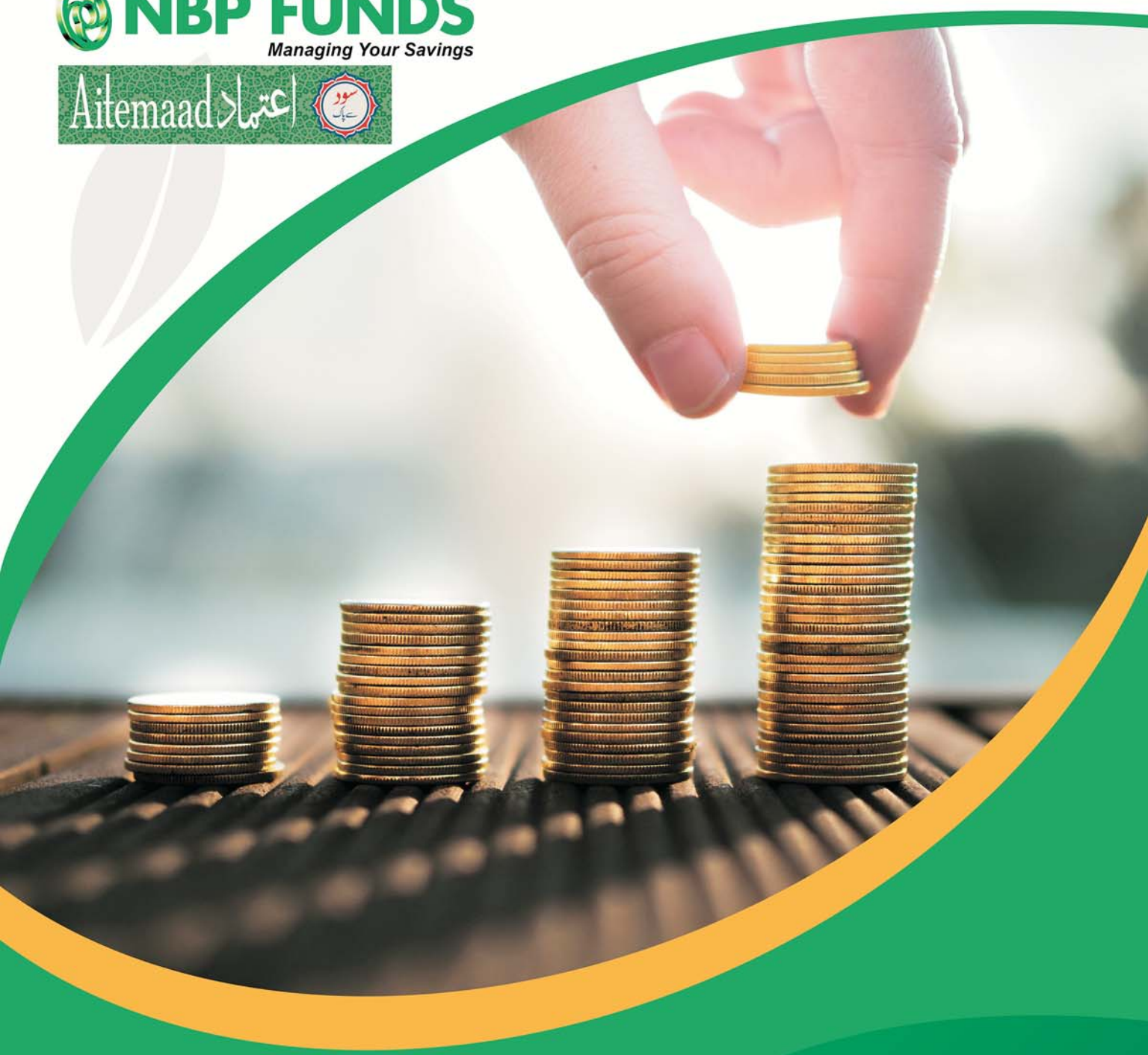
Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpffunds.com

Website: www.nbpffunds.com

 /nbpffunds



NBP
ACTIVE ALLOCATION
RIBA FREE SAVINGS FUND

QUARTERLY REPORT
SEPTEMBER 30, 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.**



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS	14



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
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	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
Mr. Tauqeer Mazhar	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

Bank Al Habib Limited
United Bank Limited
Habib Bank Limited
Silk Bank Limited
Dubai Islamic Bank Pakistan Limited
Al Baraka Bank (Pakistan) Limited
Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Soneri Bank Limited
Faysal Bank Limited
Zarai Taraqiati Bank Limited



Auditors

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

Legal Advisor

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

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.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 Condensed Interim financial statements of **NBP Active Allocation Riba Free Savings Fund (NAARFSF)** for the quarter ended September 30, 2021.

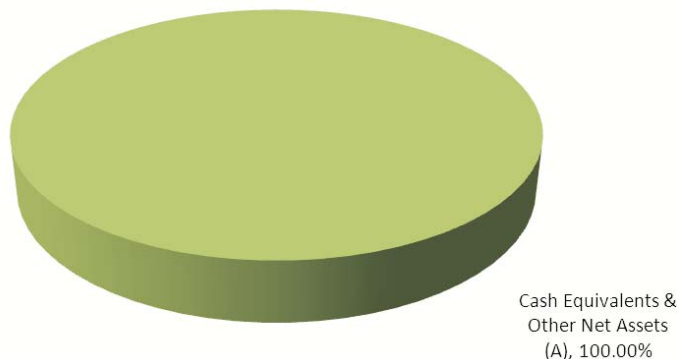
Fund's Performance

The primary market for Corporate Sukuks remained under-supplied against the growing demand. In the secondary market, the trading activity in Corporate Sukuks was abysmally low with cumulative traded value of around Rs. 0.8 billion in 1QFY22 compared to Rs. 5.6 billion during same period last year. Inflation as measured by the CPI clocked-in at 9.0% on year-on-year basis in September 2021 as compared to 8.4% in the previous month and 9.0% in September 2020. Amid sharp spike in prices of food component, CPI increased by 2.1% on a month-on-month basis in September 2021 as compared to an increase of 1.5% in September 2020. After maintaining status quo for about fifteen months, in its meeting held on September 20th, the SBP raised the Policy Rate by 25 basis points to 7.25%. While acknowledging the needed appropriate policy mix, the SBP cited that "looking ahead, in the absence of unforeseen circumstances, the MPC expects monetary policy to remain accommodative in the near term, with possible further gradual tapering of stimulus."

NAARFSF is an Islamic Income Scheme. The Fund aims to consistently generate a better return than profit rates offer by Islamic by Islamic banks/Islamic windows of commercial banks, while also providing easy liquidity along with a high-quality credit profile. The Fund is allowed to invest in Shariah Compliant Government Securities of maturity upto 3 years as well as Shariah Compliant money market and debt securities of upto 2 years maturity rated AA- or better.

The size of NBP Active Allocation Riba Free Savings Fund has decreased from Rs. 88 million to Rs. 69 million during the period (i.e., a decline of 22%). During the period, the unit price of the Fund has increased from Rs. 10.0454 on June 30, 2021 to Rs. 10.7839 on September 30, 2021, thus showing return of 29.2% p.a. as compared to the benchmark return of 3.1% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and is not likely to be repeated in the future. The Fund has been assigned a stability rating of 'A- (f)' by PACRA.

The Fund has earned a total income of Rs. 6.94 million during the period. After deducting total expenses of Rs. 0.52 million, the net income is Rs. 6.42 million. The asset allocation of NAARFSF as on September 30, 2021 is as follows:





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 Officer

Director

Date: October 29, 2021
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز زبردست 30 ستمبر 2021ء کو ختم ہونے والی سہ ماہی کے لئے NBP ایکٹیو ایلوکیشن ریفاری سیونگ فنڈ (NAARFSF) کے غیر جانچ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

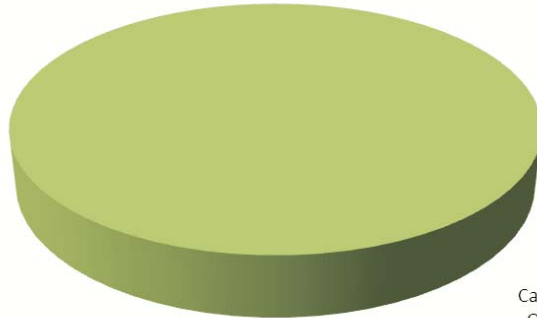
فنڈ کی کارکردگی

کارپوریٹ سٹاک کے لئے ایندائی مارکیٹ کی زیادہ طلب کے مقابلہ میں رسد کم رہی۔ ثانوی منڈی میں، تجارتی سرگرمی معمولی طور پر کم رہی جس کی تجارتی قدر مالیاتی سال 2021ء کی پہلی سہ ماہی میں 6.7 بلین روپے کے مقابلہ میں مالیاتی سال 2022ء کی پہلی سہ ماہی میں 2.1 بلین روپے رہی۔ CPI کی طرف سے پیکس کردہ افراط زر گزشتہ ماہ میں 8.4% اور ستمبر 2020 میں 9.0% کے مقابلے ستمبر 2021 میں سالانہ بنیاد پر تقریباً 9.0% رہی۔ خوراک کے اجزاء کی قیمتوں میں تیز اضافہ کے درمیان، CPI ستمبر 2020 میں 1.5% بڑھنے کے مقابلے ستمبر 2021 میں ماہانہ بنیاد پر 2.1% تک بڑھ گیا۔ تقریباً پندرہ ماہ تک پرانا نظام برقرار رکھنے کے بعد، 20 ستمبر کو منعقدہ اپنے اجلاس میں، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی شرح میں 25 بیس پوائنٹس کے اضافہ کے ساتھ 7.25% تک زیادہ کردی۔ مطلوبہ موزوں پالیسی کس کو تسلیم کرتے ہوئے، اسٹیٹ بینک نے حوالہ دیا کہ "غیر متوقع حالات کی عدم موجودگی میں، آگے دیکھتے ہوئے، ایم پی سی توقع کرتی ہے کہ مالیاتی پالیسی مستقبل قریب میں موزوں رہے گی، ممکنہ طور پر مزید بتدریج کی آئے گی۔"

NAARFSF ایک اسلامک انکم اسکیم ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی وٹڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تو اتر سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔ فنڈ 3 سالوں تک میچورٹی کی شریعہ کمپلیٹ گورنمنٹ سیکورٹیز اور AA- یا بہتر درجہ کی 2 سالہ میچورٹی کی شریعہ کمپلیٹ منی مارکیٹ اور ڈیٹ سیکورٹیز میں سرمایہ کاری کی اجازت دیتا ہے۔

INBP ایکٹیو ایلوکیشن ریفاری سیونگ فنڈ (NAARFSF) کا سائز اس مدت کے دوران 88 بلین روپے سے کم ہو کر 69 بلین روپے ہو گیا ہے (یعنی 22% کمی ہوئی)۔ زبردست مدت کے دوران، فنڈ کی پینٹ قیمت 30 جون 2021 کو 10.0454 روپے سے بڑھ کر 30 ستمبر 2021 کو 10.7839 روپے تک پہنچ گئی ہے، لہذا اسی مدت کے دوران 3.1% بیچ مارک منافع کے مقابلے میں 29.2% منافع درج کروایا۔ فنڈ کی یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈیونگ ریورس کردی گئی۔ اس پروڈیونگ کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔ فنڈ کو PACRA کی طرف سے 'A-(f)' کی مستحکم ریٹنگ تفویض کی گئی ہے۔

فنڈ نے موجودہ مدت کے دوران 6.94 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 0.52 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 6.42 بلین روپے ہے۔ درج ذیل چارٹ 30 ستمبر 2021 کو NAARFSF کی ایٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیکس شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



Cash Equivalents &
Other Net Assets
(A), 100.00%



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ 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 منجمنٹ کمیٹی

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 29 اکتوبر 2021

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

		Un-Audited September 30, 2021	Audited June 30, 2021
Note		----- (Rupees in 000) -----	
ASSETS			
	Balances with banks	4 68,054	65,344
	Investments	5 -	27,795
	Profit receivable	782	637
	Deposits, prepayments and other receivables	1,493	1,510
	Preliminary expenses and flotation costs	-	-
		70,329	95,286
LIABILITIES			
	Payable to NBP Fund Management Limited - Management Company	827	874
	Payable to Central Depository Company of Pakistan Limited - Trustee	10	11
	Payable to Securities and Exchange Commission of Pakistan	4	35
	Accrued expenses and other liabilities	609	5,933
	Total liabilities	1,450	6,853
	NET ASSETS	68,879	88,433
	UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)	68,879	88,433
	CONTINGENCIES AND COMMITMENTS	7 -	-
	Number of units in issue	6,387,188	8,803,354
	NET ASSET VALUE PER UNIT	10.7839	10.0454

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

Note	Quarter ended September 30, 2021	Quarter ended September 30, 2020
----- (Rupees in 000) -----		
INCOME		
Profit on bank deposits	1,137	2,651
Income on Commercial Paper	205	386
Income on Term deposit receipts	229	603
	1,571	3,640
Total income		
EXPENSES		
Remuneration of NBP Fund Management Limited Management Company	112	267
Sindh sales tax on remuneration of the Management Company	15	35
Remuneration to Central Depository Company of Pakistan Limited- Trustee	16	40
Sindh Sales Tax on remuneration of the Trustee	2	5
Annual fee - Securities and Exchange Commission of Pakistan	4	11
Settlement and bank charges	5	22
Rating Fee	17	63
Legal & Professional charges	98	32
Auditors' remuneration	64	104
Accounting and operational charges	27	53
Shariah Advisor Fee	6	5
Selling & Marketing	153	371
Amortization of Formation Cost	-	50
Total Expenses	519	1,058
Net Income from operating activities	1,052	2,582
Reversal / (Provision) for Sindh Workers' Welfare Fund	5,364	(52)
Net Income for the period before taxation	6,416	2,530
Taxation	-	-
Net Income for the period after taxation	6,416	2,530
Allocation of Net income for the period:		
Net income for the period after taxation	6,416	2,530
Income already paid on units redeemed	(2,094)	(542)
	4,322	1,988
Accounting income available for distribution:		
- Relating to Capital Gains	-	-
- Excluding Capital Gains	4,322	1,988
	4,322	1,988

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
----- (Rupees in 000) -----		
Net Income for the period after taxation	6,416	2,530
Other Comprehensive Income	-	-
Total comprehensive Income for the period	6,416	2,530

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

	2021			2020		
	Rupees in '000			Rupees in '000		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at the beginning of the period	85,214	3,219	88,433	117,373	3,146	120,519
Issue of 1,865,500 units (2020 19,223,416 units)						
- Capital Value	18,740	-	18,740	192,945	-	192,945
- Element of income	406	-	406	902	-	902
Total proceeds on issuance of units	19,146	-	19,146	193,847	-	193,847
Redemption of 4,282,666 units (2020 : 7,658,688 units)						
- Capital value	(43,021)	-	(43,021)	(76,870)	-	(76,870)
- Element of loss	(1)	(2,094)	(2,095)	(32)	(542)	(574)
Total payments on redemption of units	(43,022)	(2,094)	(45,116)	(76,902)	(542)	(77,444)
Total comprehensive income for the period	-	6,416	6,416		2,530	2,530
Net assets at end of the period	61,338	7,541	68,879	234,318	5,134	239,452
Undistributed income brought forward						
- Realised income		3,219			3,146	
- Unrealised / (loss)		-			-	
		<u>3,219</u>			<u>3,146</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		4,322			1,988	
		<u>4,322</u>			<u>1,988</u>	
Undistributed income carried forward		<u>7,541</u>			<u>5,134</u>	
Undistributed income carried forward						
- Realised income		7,541			5,134	
- Unrealised income		-			-	
		<u>7,541</u>			<u>5,134</u>	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the year			<u>10.0454</u>			<u>10.0370</u>
Net assets value per unit at end of the period			<u>10.7839</u>			<u>10.1583</u>

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
Note	------(Rupees in 000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income for the period before taxation	6,416	2,530
Adjustments		
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	-
	6,416	2,530
(Increase) / decrease in assets		
Investments	27,795	(100,101)
Profit receivable	(145)	(524)
Prepayments and other receivables	17	64
Preliminary expenses and flotation costs	-	50
	27,667	(100,511)
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	(47)	247
Payable to Central Depository Company of Pakistan Limited - Trustee	(1)	10
Payable to Securities and Exchange Commission of Pakistan	(31)	(57)
Accrued expenses and other liabilities	(5,324)	77
	(5,403)	277
Net cash (used In) / generated from operating activities	28,680	(97,704)
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	19,146	193,847
Net payments on redemption of units	(45,116)	(77,444)
Net cash generated from / (used in) financing activities	(25,970)	116,403
Net increase in cash and cash equivalents during the period	2,710	18,699
Cash and cash equivalents at the beginning of the period	65,344	107,573
Cash and cash equivalents at the end of the period	68,054	126,272

The annexed notes 1 to 13 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 STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Active Allocation Riba Free Savings Fund (the Fund) is an open ended mutual fund constituted under a trust deed entered into on November 03, 2015 between NBP Fund Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

The Management Company of the Fund has been licensed to act as an asset management company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Shariah Compliant Income Scheme' by the board of directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009, issued by the Securities Exchange Commission of Pakistan.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM1 to the Management Company on June 23, 2021, and stability rating of A-(f) to the Fund in its credit rating report dated April 16, 2021.

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

The Trust Deed has been repealed due to promulgation of Provincial Trust Act "Sindh Trust Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company to fulfill the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar (acting under Sindh Trusts Act, 2020).

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part 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 VIII A 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, 2021.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2021.

These condensed interim 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, 2021.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

	Un-Audited As at September 30, 2021	Audited As at June 30, 2021
	(Rupees in '000)	
4 BANK BALANCES		
Savings accounts	68,054	65,344
	68,054	65,344
5 INVESTMENTS		
Financial assets 'at fair value through profit or loss- held for Trading'		
Commercial Paper	-	14,795
Term Deposit Receipts	-	13,000
	-	27,795
6 PROVISION FOR SINDH WORKERS' WELFARE FUND		

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore,



not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF on August 13, 2021, recognised in the financial statements of the Funds, for the period from January 18, 2016 to August 12, 2021.

Provisioning against Sindh Workers' Welfare Fund by NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND amounting to Rs. 5.38 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND by 6.07% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

8 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 0.7% per annum of the net assets of the Fund.

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 unitholders as cash dividend. 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, 2022 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 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 2.39% (September 30, 2020: 2.08%) which includes 0.10% (September 30, 2020: 0.19%) representing Government Levy, and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Compliant Income" scheme.

11 TRANSACTIONS WITH CONNECTED PERSONS

- 11.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP), Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.



- 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 and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 11.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.
- 11.5 **Details of the transactions with connected persons are as follows:**

Un-audited	
Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
------(Rupees in '000)-----	

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	112	267
Sindh sales tax on remuneration of the Management Company	15	35
Accounting and operational charges	27	53
Selling & Marketing expenses	153	371

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN I)

Units issued during the period 77,924 units (523,255 units)	806	5,273
Units redeemed during the period 602,526 units (195,586 units)	6,422	1,969

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN II)

Units issued during the period 112,041 units(485,454 units)	1,140	4,893
Units redeemed during the period 469,612 units(88,385 units)	4,943	892

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN III)

Units issued during the period 391,440 units(3,194,497 units)	4,000	32,198
Units redeemed during the period 1,019,764 units (666,494 units)	10,765	6,750

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN IV)

Units issued during the period 476,989 units(3,104,369 units)	4,900	31,302
Units redeemed during the period 845,252 units(Nil units)	8,886	-

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN V)

Units issued during the period 234,152 units (4,102,610 units)	2,400	41,390
Units redeemed during the period 417,606 units(2,549,858 units)	4,405	25,790

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN VI)

Units issued during the period 156,543 units (3,704,165 units)	1,600	37,358
Units redeemed during the period 314,574 units(841,425 units)	3,300	8,519

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN VII)

Units issued during the period 105,586 units (1,081,311 units)	1,100	10,906
Units redeemed during the period 123,904 units(598,526 units)	1,295	6,055

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN VIII)

Units issued during the period 311,825 units (3,027,755 units)	3,200	30,527
Units redeemed during the period 489,428 units (2,718,414 units)	5,100	27,469



Un-audited

Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
------(Rupees in '000)-----	

BankIslami Pakistan Limited (Common Directorship with the Management Company)

Placement of term deposit receipts	27,000	37,000
Profit income on bank balances	20	377
Profit income on term deposit receipts	229	68

Central Depository Company of Pakistan Limited- Trustee

Remuneration to Central Depository Company of Pakistan Limited- Trustee	16	40
Sindh Sales Tax on remuneration of the Trustee	2	5
Settlement Charges	3	1

Un-audited September 30, 2021	Audited as at June 30, 2021
------(Rupees in '000)-----	

11.6 Amounts outstanding as at period end

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	31	40
Sindh sales tax on remuneration of the Management Company	4	5
Federal excise duty on remuneration of the Management Company	612	612
Allocation of operational charges	27	33
Selling & Marketing expenses	153	184

NAFA Islamic Active Allocation Fund-I (Plan I)

Units held 535,606 units (June 30,2021 : 1,060,227 units)	5,776	10,650
---	-------	--------

NAFA Islamic Active Allocation Fund-I (Plan II)

Units held 630,904 units (June 30,2021: 988,475 units)	6,804	9,930
--	-------	-------

NAFA Islamic Active Allocation Fund-I (PLAN III)

Units Held 1,641,423 units (June 30,2021: 2,269,748 units)	17,701	22,801
--	--------	--------

NAFA Islamic Active Allocation Fund- I (Plan IV)

Units Held 1,408,810 units (June 30,2021: 1,777,073 units)	15,192	17,851
--	--------	--------

NAFA Islamic Active Allocation Fund- I (Plan V)

Units Held 767,528 units (June 30,2021 : 950,982 units)	8,277	9,553
---	-------	-------

NAFA Islamic Active Allocation Fund- II (Plan VI)

Units Held 496,683 units (June 30,2021 : 654,713 units)	5,356	6,577
---	-------	-------

NAFA Islamic Active Allocation Fund- II (Plan VII)

Units Held 358,264 units (June 30,2021: 376,582 units)	3,863	3,783
--	-------	-------

NAFA Islamic Active Allocation Fund- II (Plan VIII)

Units Held 547,971 units (June 30,2021: 725,574 units)	5,909	7,289
--	-------	-------



Un-audited September 30, 2021	Audited as at June 30, 2021
------(Rupees in '000)-----	

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	5	6
Sindh sales tax on remuneration of Trustee	1	1
Security Deposit	100	100
Settlement Charges payable	4	4

BankIslami Pakistan Limited (Common Directorship with the Management Company)

Balance in savings account	1,038	892
Term deposit receipts	-	13,000
Profit receivable on bank balance	8	54
Profit receivable on Term deposit receipts	-	3

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 29, 2021.

13 GENERAL

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

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

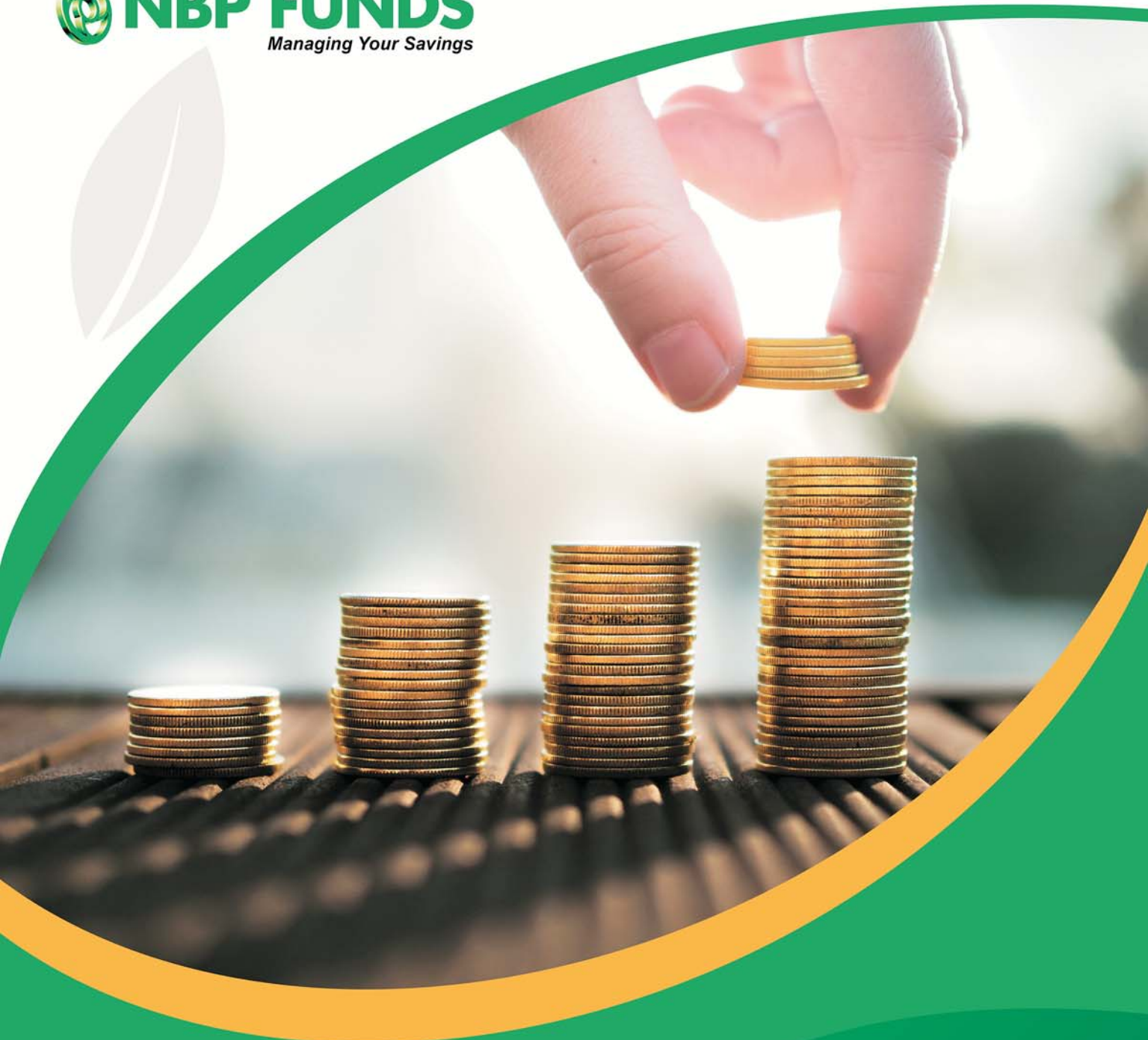
Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds



NBP FINANCIAL SECTOR FUND

AM1
Rated by PACRA

QUARTERLY REPORT
SEPTEMBER 30, 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.**



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS	14



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
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	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
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Al Habib Limited
Allied Bank Limited
BankIslami Pakistan Limited
National Bank of Pakistan



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,
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Fax: 92-42-35861095

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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 condensed interim financial statements of **NBP Financial Sector Fund (NFSF)** for the quarter ended September 30, 2021.

Fund's Performance

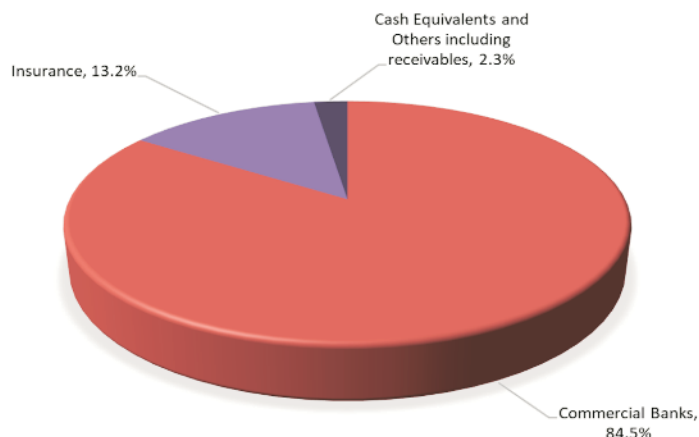
After delivering a robust 38% return in FY21, the stock market lost positive momentum as the benchmark KSE 100 Index fell by 5.2% during 1QFY22. In the first two months of the outgoing quarter, range bound activity was witnessed at the local bourse amid thin trading volumes and lackluster investors' participation. During the month of September, the market came under severe selling pressure with KSE 100 Index slumping by 5.3%.

Despite record profitability and healthy payouts announced by the listed corporate sector for June period, the lackluster market performance during the quarter can be attributable to the following factors. Investors seemed worried about shifting Pak-US relations amid developments in the neighboring Afghanistan with possible spillover effects on Pakistan. Adding to investors' angst was the widening Current Account Deficit (CAD) that clocked-in at USD 1.5 billion in August 2021 and USD 800 million in the previous month. Furthermore, the steady devaluation of the PKR versus US dollar coupled with rising industrial raw material and energy prices have ignited concerns on the corporate profitability outlook. In a bid to contain the consumption led demand pressure, the SBP's decision to raise the Policy Rate by 0.25% in its MPC meeting held on September 20th, 2021 was also not well received by the market. According to the market talks, leveraged positions of retail investors, who received margin calls after continuous decline in the Index also accelerated the sell-off of equities towards the end of the quarter. On the other hand, the market ignored positive developments on the external account front notably, record inflows in Roshan Digital Account (RDA) amounting to USD 849 million during the quarter, taking the cumulative inflows to USD 2.4 billion and the receipt of USD 2.7 billion from the IMF on account of SDR allocation.

Looking at the sector wise performance of the market, Automobile Assemblers and Accessories, Cements, Engineering, Insurance, Oil & Gas Exploration and Marketing Companies, Paper & Board, Refineries, and Transport sectors underperformed the market, while Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Power Generation and Distribution, Technology, and Textile Composite sectors outperformed the market. In terms of participant-wise activity, Individuals, Other Organizations, and Banks /DFIs remained the largest buyers during the quarter with net inflows of USD 33 million, USD 27 million and USD 21 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 83 million.

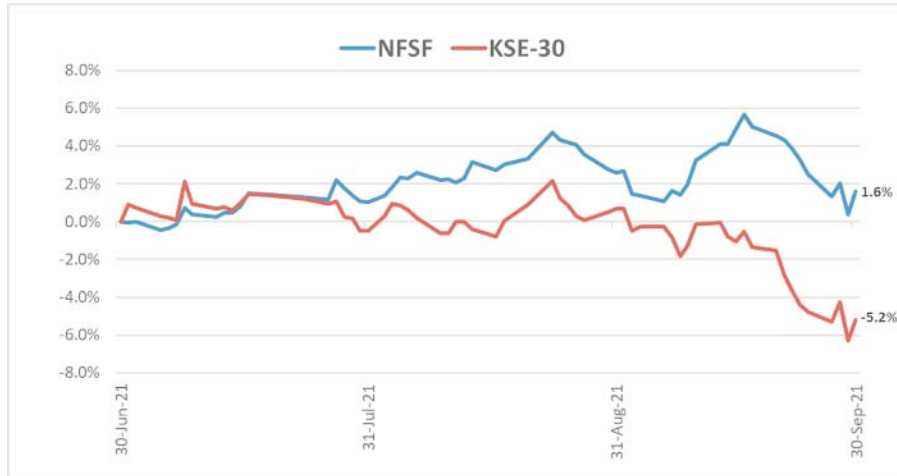
The size of NBP Financial Sector Fund has decreased from Rs. 445 million to Rs. 427 million during the period, i.e., a decrease of 4%. During the period, the unit price of NBP Financial Sector Fund (NFSF) has increased from Rs. 8.9014 on June 30, 2021 to Rs. 9.0421 on September 30, 2021, thus showing an increase of 1.6%. The Benchmark for the same period was decreased by 5.2%. Thus, the Fund has outperformed its Benchmark by 6.8% during the period under review. Since inception, the unit price of NBP Financial Sector Fund has decreased from Rs. 9.6486 (Ex-Div) on February 14, 2018 to Rs. 9.0421 on September 30, 2021, thus showing a decrease of 6.3%. The Benchmark for the same period was increased by 2.5%. Thus, the Fund has underperformed its Benchmark by 8.8% during the period under review. This performance is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall not be repeated in the future.

The Fund has earned a total income of Rs.12.01 million during the period. After deducting total expenses of Rs. 5.19 million, the net income is Rs. 6.82 million. The asset allocation of the Fund as on September 30, 2021 is as follows:





NFSF 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: **October 29, 2021**
Place: Karachi.



ڈائریکٹرز رپورٹ

NBP فنڈ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لئے NBP فنانسشل سیکٹرز فنڈ (NFSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 2021 میں 38 فیصد کا بھر پور منافع دینے کے بعد، اسٹاک مارکیٹ کی مثبت رفتار کم ہو گئی جیسا کہ مالی سال 22 کی پہلی سہ ماہی کے دوران بیچ مارک KSE-100 انڈیکس میں 5.2 فیصد کمی ہوئی۔ رواں سہ ماہی کے پہلے دو ماہ میں، رشچ باؤنڈ سرگرمی میں مقامی سطح پر تجارتی حجم اور سرمایہ کاروں کی شرکت کی کمی دیکھی گئی۔ ستمبر کے مہینہ کے دوران، مارکیٹ KSE 100 انڈیکس میں 5.3 فیصد کمی کے ساتھ شدید فروختی دباؤ میں آ گئی۔

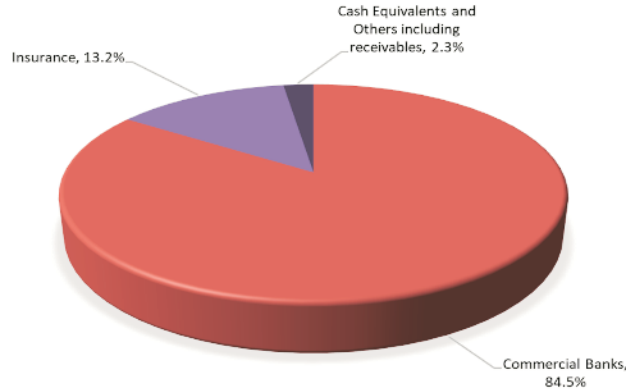
لنڈ کارپوریٹ سیکٹرز کی طرف سے جون کی مدت کے لیے ریکارڈ منافع اور ڈویڈنڈز کے باوجود، سہ ماہی کے دوران مارکیٹ کی ناقص کارکردگی درج ذیل عوامل سے منسوب کی جاسکتی ہے۔ پڑوسی افغانستان میں پاکستان پر حملہ پھیلنے والے اثرات کے ساتھ سرمایہ کار پاک امریکہ تعلقات تبدیل ہو چکے بارے میں پریشان دکھائی دیے۔ سرمایہ کاروں کی ناراضگی میں مزید اضافہ کیا جڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) نے جو کہ اگست 2021 میں تقریباً 1.5 بلین امریکی ڈالر اور پچھلے مہینے میں 800 بلین امریکی ڈالر تھا۔ مزید برآں، امریکی ڈالر کے مقابلے پاکستانی روپیہ کی مسلسل قدر میں کمی کے ساتھ ساتھ صنعتی خام مال اور توانائی کی بڑھتی ہوئی قیمتوں نے کارپوریٹ منافع بخش نقطہ نظر پر تشویش کو جنم دیا ہے۔ کھپت کی وجہ سے طلب کے دباؤ پر قابو پانے کے لیے، اسٹیٹ بینک کے 20 ستمبر 2021 کو منعقدہ اپنے ایم پی سی اجلاس میں پالیسی کی شرح میں 0.25 فیصد اضافے کے فیصلے کو بھی مارکیٹ میں نہیں سراہا گیا۔ مارکیٹ چنگوٹیوں کے مطابق، انڈیکس میں مسلسل کمی کے بعد مارجن کالز وصول کرنے والے ریٹیل سرمایہ کاروں کی لیورجڈ پوزیشنز نے سہ ماہی کے اختتام پر ایکویٹی کی فروخت میں بھی اضافہ کر دیا۔ دوسری طرف، مارکیٹ نے بیرونی اکاؤنٹ کے محاذ پر مثبت پیش رفت کو نظر انداز کیا، سہ ماہی کے دوران خاص طور پر روٹن ڈیجیٹل اکاؤنٹ (RDA) میں 849 بلین امریکی ڈالر کی ریکارڈ آمد ہوئی ہے، جس سے مجموعی آمد 2.4 بلین ڈالر اور SDR ایلوکیشن کی مدد میں آئی ایم ایف سے 2.7 بلین امریکی ڈالر کی وصولی ہوئی۔

مارکیٹ کی سیکٹرز اور کارکردگی کو دیکھتے ہوئے، آٹوموبائل اسمبلر ز اور ایسیریز، سینٹ، انجینئرنگ، انشورنس، آئل اینڈ گیس ایکسپلوریشن اور مارکیٹنگ کمپنیاں، کاغذ اور بورڈ، کیفٹریز اور ٹرانسپورٹ سیکٹرز نے مارکیٹ سے اتر کارکردگی کا مظاہرہ کیا جبکہ کیمیکلز، کمرشل بینک، کھاد، خوراک اور ذرائع گہدہ داشت، گلاس اینڈ سرامکس، پاور جنریشن اور ڈسٹری بیوٹن، بیکنالوجی اور ٹیکسٹائل کمپوزٹس سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ شراکت دار سرگرمی کے لحاظ سے، افراد، دیگر آرگنائزیشن، اور بینک/DFIs بالترتیب 33 بلین امریکی ڈالر، 27 بلین امریکی ڈالر اور 21 بلین امریکی ڈالر کی خالص آمد کے ساتھ سب سے بڑے خریدار رہے۔ دوسری طرف، غیر ملکی 83 بلین امریکی ڈالر کے خالص اخراج کے ساتھ مارکیٹ میں سب سے بڑے فروخت کنندگان تھے۔

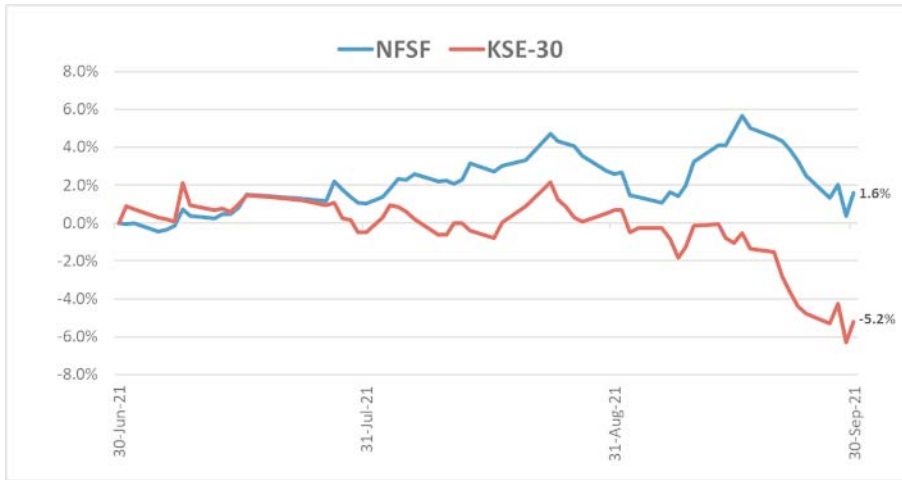
NBP فنانسشل سیکٹرز فنڈ (NFSF) کا فنڈ سائز اس مدت کے دوران 445 بلین روپے سے کم ہو کر 427 بلین روپے ہو گیا، یعنی 4% کی کمی ہوئی۔ اس مدت کے دوران، NBP فنانسشل سیکٹرز فنڈ (NFSF) کے یونٹ کی قیمت 30 جون 2021 کو 8.9014 روپے سے بڑھ کر 30 ستمبر 2021 کو 9.0421 روپے ہو چکی ہے، لہذا 1.6% کا اضافہ ہوا۔ اسی مدت کے دوران بیچ مارک میں 5.2% کا اضافہ ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 6.8% بہتر کارکردگی دکھائی۔ اپنے قیام 14 فروری 2018 سے اب تک فنڈ کے یونٹ کی قیمت (Ex-Div) 9.6486 روپے سے کم ہو کر 30 ستمبر 2021 کو 9.0421 روپے ہو گئی، لہذا 6.3% کی کمی ہوئی ہے۔ اسی مدت کے لئے بیچ مارک میں 2.5% کی کمی ہوئی۔ لہذا، زیر جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے بیچ مارک سے 8.8% اتر رہی۔ یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروویڈنٹس رپورٹس کردی گئی۔ اس پروویڈنٹس کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

فنڈ نے موجودہ مدت کے دوران 12.01 بلین روپے کی کل آمدنی کمائی ہے۔ 5.19 بلین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 6.82 بلین روپے ہے۔

30 ستمبر 2021 کے مطابق فنڈ کی ایسٹ ایلوکیشن حسب ذیل ہے:



NFSF کی کارکردگی بمقابلہ بیچ مارک



اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 29 اکتوبر 2021

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

		(Un-Audited) September 30,2021	(Audited) June 30,2021
	Note		
		Rupees in '000	
Assets			
Bank balances		12,526	13,827
Investments	4	417,649	434,858
Profit and dividend receivable		2,565	85
Deposits and other receivable		2,969	2,948
Receivable against sale of investments		7,047	-
Preliminary expenses and floatation costs		916	1,084
Total assets		443,672	452,802
Liabilities			
Payable to NBP Fund Management Limited - Management Company		3,090	3,066
Payable to the Central Depository Company of Pakistan Limited - Trustee		83	85
Payable to the Securities and Exchange Commission of Pakistan		22	112
Payable against redemption of units		12,512	-
Accrued expenses and other liabilities		884	4,354
Total liabilities		16,591	7,617
NET ASSETS		427,081	445,185
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		427,081	445,185
CONTINGENCIES AND COMMITMENTS	6		
		Number of units	
NUMBER OF UNITS IN ISSUE		47,232,237	50,012,837
		----- Rupees -----	
NET ASSET VALUE PER UNIT		9.0421	8.9014

The annexed notes from 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	Rupees in '000	
Income		
Profit on bank deposits	123	457
Dividend income	10,238	-
Gain / (Loss) on sale of investments - net	76	10,009
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1,124)	93,692
Total Income	9,313	104,158
Expenses		
Remuneration of NBP Fund Management Limited - Management Company	1,688	2,521
Sindh Sales Tax on remuneration of the Management Company	219	328
Accounting and operational expenses	210	168
Selling and marketing expenses	2,257	2,521
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	225	336
Sindh Sales Tax on remuneration of the Trustee	29	44
Annual fees to the Securities and Exchange Commission of Pakistan	23	34
Securities transaction cost	35	194
Auditors' remuneration	161	146
Amortization of preliminary expenses and floatation costs	169	169
Annual listing fee	7	5
Printing charges	18	1
Legal and professional charges	46	20
Settlement and bank charges	101	80
Total operating expenses	5,188	6,567
Net Income from operating activities	4,125	97,591
Reversal / (Provision) for Sindh Workers' Welfare Fund	2,695	(1,952)
Net Income for the period before taxation	6,820	95,639
Taxation	-	-
Net Income for the period after taxation	6,820	95,639
Allocation of net income for the period		
Net income for the period after taxation	6,820	95,639
Income already paid on units redeemed	(417)	(9,512)
	6,403	86,127
Accounting income available for distribution		
- Relating to capital gains	-	86,127
- Excluding capital gains	6,403	-
	6,403	86,127

The annexed notes from 1 to 12 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	Rupees in '000	
Net Income for the period after taxation	6,820	95,639
Other comprehensive income for the period	-	-
Total comprehensive Income for the period	6,820	95,639

The annexed notes from 1 to 12 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021			Quarter ended September 30, 2020		
----- Rupees in '000 -----						
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at beginning of the period	672,914	(227,729)	445,185	851,377	(272,980)	578,397
Issue of 1,750,894 units (2020: 12,337,214 units)						
- Capital value	15,585	-	15,585	94,366	-	94,366
- Element of income	410	-	410	8,086	-	8,086
Total proceeds on issuance of units	15,995	-	15,995	102,452	-	102,452
Redemption of 4,531,494 units (2020: 16,510,708 units)						
- Capital value	(40,337)	-	(40,337)	(126,289)	-	(126,289)
- Element of loss	(165)	(417)	(582)	(6,710)	(9,512)	(16,222)
Total payments on redemption of units	(40,502)	(417)	(40,919)	(132,999)	(9,512)	(142,511)
Total comprehensive income for the period	-	6,820	6,820	-	95,639	95,639
Net income for the period after distribution	-	6,820	6,820	-	95,639	95,639
Net assets at end of the period	648,407	(221,326)	427,081	820,830	(186,853)	633,977
Undistributed income brought forward						
Realised (loss)		(277,812)			(124,931)	
Unrealised gain / (loss)		50,083			(148,049)	
		<u>(227,729)</u>			<u>(272,980)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			86,127	
- Excluding capital gains		6,403			-	
		<u>6,403</u>			<u>86,127</u>	
Undistributed loss carried forward		<u>(221,326)</u>			<u>(186,853)</u>	
Undistributed loss carried forward						
- Realised loss		(220,202)			(280,545)	
- Unrealised (loss) / income		(1,124)			93,692	
		<u>(221,326)</u>			<u>(186,853)</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>8.9014</u>			<u>7.6489</u>
Net assets value per unit at end of the period			<u>9.0421</u>			<u>8.8736</u>

The annexed notes from 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
Rupees in '000		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the period before taxation	6,820	95,639
Adjustments for:		
Amortization of preliminary expenses and floatation costs	169	169
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,124	(93,692)
	1,293	(93,523)
Decrease in assets		
Investments	16,084	28,287
Profit and dividend receivable	(2,480)	11
Receivable against sale of investments	(7,047)	4,078
Deposits and other receivable	(21)	(23)
	6,536	32,353
(Decrease) / Increase in liabilities		
Payable to NBP Fund Management Limited - Management Company	24	(688)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(2)	18
Payable to the Securities and Exchange Commission of Pakistan	(90)	(118)
Accrued expenses and other liabilities	(3,470)	2,288
	(3,538)	1,500
Net cash generated from operating activities	11,111	35,969
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	15,995	102,452
Net payments against redemption of units	(28,407)	(142,511)
Net cash (used in) from financing activities	(12,412)	(40,059)
Net (decrease) in cash and cash equivalents	(1,301)	(4,090)
Cash and cash equivalents at the beginning of the period	13,827	22,750
Cash and cash equivalents at the end of the period	12,526	18,660

The annexed notes from 1 to 12 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 STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Financial Sector Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on January 10, 2018 between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 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 under pre - IPO at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from February 7, 2018 and are transferable and redeemable by surrendering them to the Fund.

The objective of NBP Financial Sector Fund is to provide investors with long term capital growth from an actively managed portfolio of listed equities belonging to the Financial Sector. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM1 to the Management Company. The Fund has not yet been rated.

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

The duration of the fund is perpetual. However, the SECP or the Management Company may wind it up on the occurrence of certain events as specified in offering document of the Fund.

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part 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, 2021.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2021.

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

3 SUMMARY OF 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, 2021.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

4 INVESTMENTS	Note	(Un-Audited)	(Audited)
		September 30, 2021	June 30, 2021
		Rupees in '000	
At fair value through profit or loss			
Quoted equity securities	4.1	417,649	434,858

4.1 Investments in equity securities - listed

Shares of listed companies - fully paid up ordinary shares with a face value of Rs. 10 each unless stated other wise.

Name of the investee company	As at July 1, 2021	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2021	Market Value as at September 30, 2021	Investment as a percentage of		
							Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
						(Rupees in '000)	%		
COMMERCIAL BANKS									
Allied Bank Limited	230,500	-	-	9,000	221,500	15,062	3.53	3.61	0.02
Bank Al-Falah Limited	1,323,350	-	-	127,000	1,196,350	38,702	9.06	9.27	0.07
Bank Al-Habib Limited	871,500	-	-	31,000	840,500	58,121	13.61	13.92	0.08
Bank Of Punjab Limited	1,059,500	-	-	-	1,059,500	8,646	2.02	2.07	0.04
Faysal Bank Limited	982,875	118,000	-	-	1,100,875	28,975	6.78	6.94	0.07
Habib Bank Limited	611,181	-	-	27,200	583,981	63,858	14.95	15.29	0.04
MCB Bank Limited	139,700	-	-	24,700	115,000	17,329	4.06	4.15	0.01
Meezan Bank Limited	237,305	-	35,596	8,000	264,901	37,068	8.68	8.88	0.02
Habib Metropolitan Bank Limited	379,000	-	-	-	379,000	16,487	3.86	3.95	0.04
Askari Bank Limited	605,000	-	-	-	605,000	13,727	3.21	3.29	0.05
United Bank Limited	550,351	-	-	18,000	532,351	63,116	14.78	15.11	0.04
INSURANCE									
Adamjee Insurance Company Limited	1,117,000	-	-	27,000	1,090,000	38,433	9.00	9.20	0.31
IGI Holdings Limited	109,900	-	-	-	109,900	18,126	4.24	4.34	0.08
Total as at September 30, 2021					8,098,858	417,649	98	100	
Carrying value as at September 30, 2021						418,773			



- 4.1.2** Investments include shares with market value of Rs 85.186 (June 30, 2021: 98.023) million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF on August 13, 2021 recognised in the financial statements of the Funds, since inception to August 12, 2021.

Provisioning against Sindh Workers' Welfare Fund by NBP Financial Sector Fund amounting to Rs. 2.90 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Financial Sector Fund by 0.65% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2021 and June 30, 2021.

7 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 2.05% 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 as cash dividend. 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, 2022 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 annualised total expense ratio (TER) of the Fund based on the current period is 4.61% (September 30, 2020: 5.07%) which includes 0.24 (September 30, 2020: 1.40%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "equity" scheme.

10 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 10.1** Connected persons include NBP Fund Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and its connected persons and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.



- 10.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 10.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 10.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of NBFC Regulations, 2008 and the Trust Deed.
- 10.5** Details of the transactions with related parties / connected persons during the period are as follows:

	(Un-Audited)	
	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Remuneration for the period	1,688	2,521
Sindh Sales Tax on remuneration of Management Company	219	328
Selling and marketing expense	2,257	2,521
Accounting and operational charges	210	168
Sale and transfer load	-	110
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	225	336
Sindh Sales Tax on remuneration	29	44
Key management personnel of the Management Company		
Units issued during the period - 61,839 (2020: 522,934)	561	4,554
Units redeemed during the period - 119,580 (2020: 523,133)	1,101	4,696
Portfolio Managed by the Management Company		
Units redeemed during the period: Nil (2020: 3,195,483)	-	29,398
Taurus Securities Limited - (Subsidiary of Parent Company)		
Brokerage expense	-	6
BankIslami Pakistan Limited - (Common Directorship)		
Profit income	27	149
* Pakistan Stock Exchange Limited - (Common Directorship)*		
Listing fee paid	-	25
National Clearing Company of Pakistan Limited - common directorship		
Settlement charges	76	81
United Bank Limited - unit holder with more than 10% holding		
Shares purchased - Nil (2020: 108,000)	-	11,495
Shares sold - 18,000 (2020: 132,000)	2,177	14,841
Dividend Income	2,165	-



10.6 Amounts / balances outstanding as at period end

	(Un-Audited) As at September 30, 2021	(Audited) As at June 30, 2021
(Rupees in '000)		
NBP Fund Management Limited - Management Company		
Remuneration payable to the Management Company	548	562
Sindh sales tax on remuneration of the Management Company	71	73
Sales load and transfer load payable	3	39
Sindh sales tax payable on sales load and transfer load	-	5
Selling and marketing expenses payable	2,258	2,220
Allocated expenses payable	210	167
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	73	75
Sindh sales tax payable on trustee fee	9	10
Security deposit	100	100
Settlement charges payable	35	26
Key management personnel of the Management Company		
Units held: 485,552 (2021: 553,277)	4,390	4,925
National Bank of Pakistan - (Parent of the Management Company)		
Bank balances	106	106
BankIslami Pakistan Limited - (Common Directorship)		
Bank balances	762	7,570
Profit receivable	4	28
Portfolio Managed by the Management Company		
Units held 33,193 (2021: 33,193)	300	295
United Bank Limited - unit holder with more than 10% holding		
Units held 25,842,766 (2021: 25,842,766)	233,673	230,037
Shares held: 532,351 (2021: 550,351)	63,116	67,253
National Clearing Company of Pakistan Limited - (Common Directorship)		
Settlement charges payable	25	26
Security Deposit	2,500	2,500
Taurus Securities Limited - (Subsidiary of Parent Company)		
Brokerage payable	-	7
Omer Farooq Kabir Sheikh - unit holder with more than 10% holding		
Units held 5,711,105 (2021: 5,711,105)	51,640	50,837

* Current year figure has not been shown as the company ceased to be a related party / connected person as at September 30, 2021.



11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 29, 2021.

12 GENERAL

Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

12.1 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

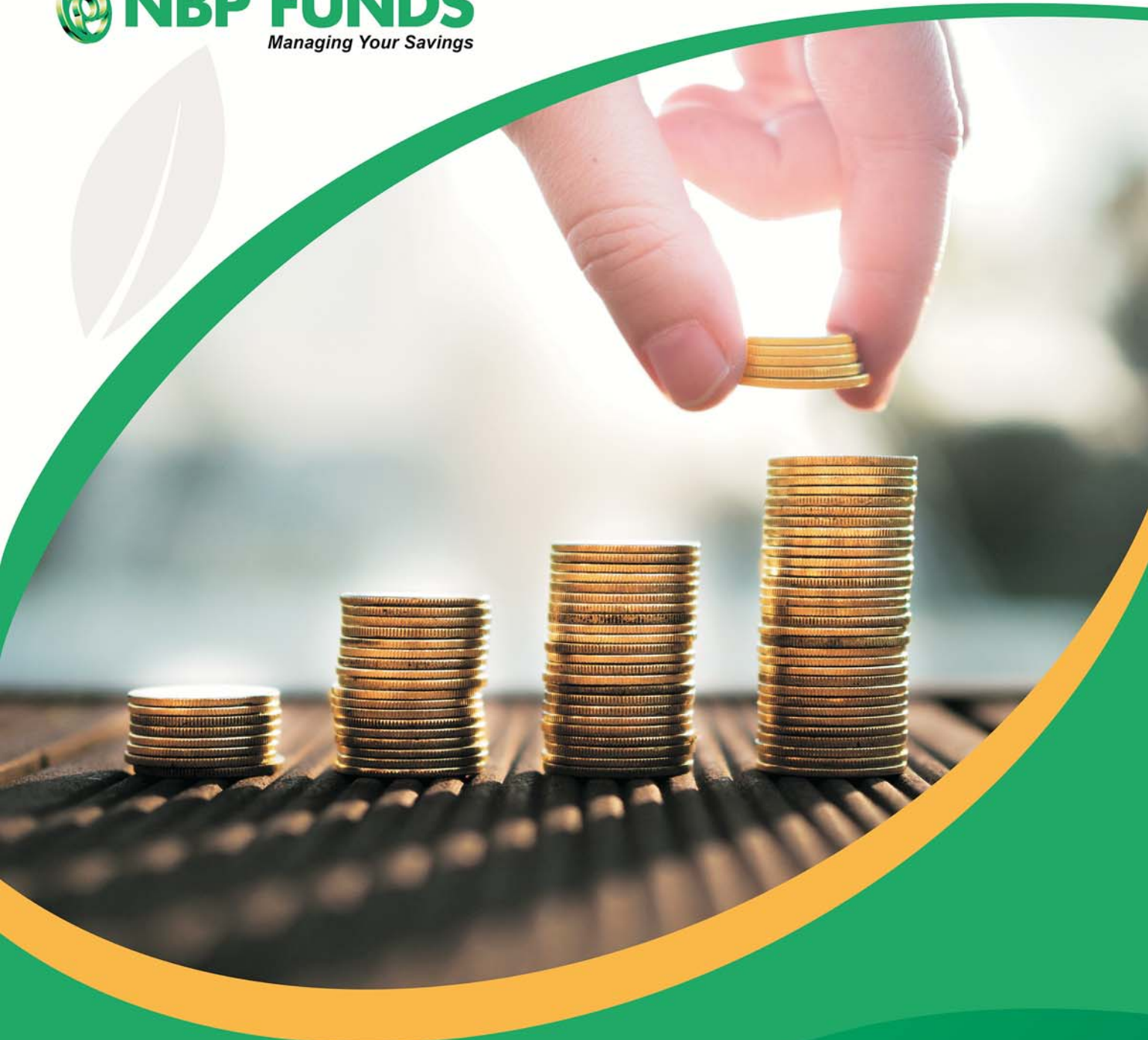
Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds



NBP
GOVERNMENT SECURITIES
LIQUID FUND

QUARTERLY REPORT
SEPTEMBER 30, 2021

AM1
Rated by PACRA



MISSION STATEMENT

**To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.**



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS	14



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
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	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
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited	Allied Bank Limited
JS Bank Limited	National Bank of Pakistan
Meezan Bank Limited	Samba Bank Limited
Habib Bank Limited	Zarai Taraqiati Bank Limited
United Bank Limited	Bank Islami Pakistan Limited
Bank Alfalah Limited	Faysal Bank Limited
Bank Al Habib Limited	Soneri Bank Limited
Askari Bank Limited	Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited	



Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

Legal Advisor

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

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Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpffunds.com

Lahore Office:

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Fax: 92-42-35861095

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UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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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 condensed Interim financial statements of NBP Government Securities Liquid Fund (NGSLF) for the quarter ended September 30, 2021.

Fund's Performance

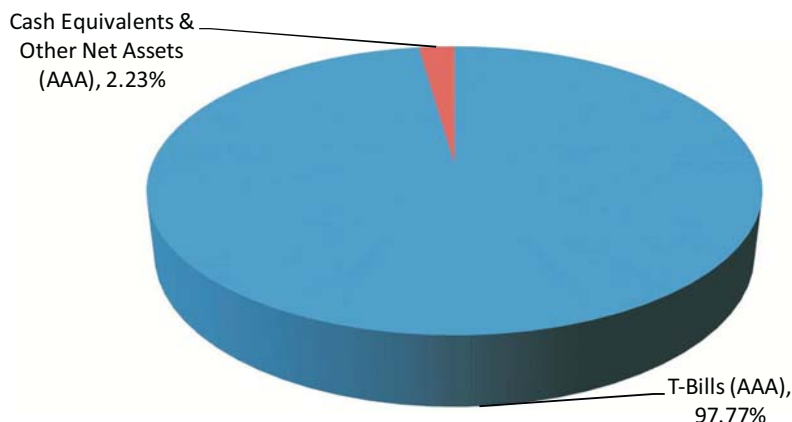
Inflation as measured by the CPI clocked-in at 9.0% on year-on-year basis in September 2021 as compared to an increase of 8.4% in the previous month and 9.0% in September 2020. Amid sharp spike in the prices of food component, month on month increase in CPI stood at 2.1% in September 2021 as compared to 1.5% in September 2020. After maintaining status quo for about fifteen months, in its meeting held on September 20th, the SBP raised the Policy Rate by 25 basis points to 7.25%. While acknowledging the needed appropriate policy mix, the SBP cited that "looking ahead, in the absence of unforeseen circumstances, the MPC expects monetary policy to remain accommodative in the near term, with possible further gradual tapering of stimulus.

During the period under review, sovereign yields responded to the reversal of monetary easing cycle as T-Bills yields increased by 31 bps, 46 bps, and 92 bps for 3-month, 6-month, and 12-month tenures owing to the increase in the Policy Rate. SBP held seven T-Bills auctions during the period, realizing a total of Rs. 4.3 trillion against the maturity of Rs. 4.1 trillion and target of Rs. 4.7 trillion.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risk is exceptionally low due to 70% minimum investment in Government securities (T-Bills) with maximum weighted average maturity of the overall portfolio at 90 days. The Fund invests in AA and above rated Banks/DFIs with maximum maturity of six months.

The size of NBP Government Securities Liquid Fund has decreased from Rs. 1,439 million to Rs. 984 million during the period (i.e., a decline of 32%). During the period, the unit price of the Fund has increased from Rs. 9.8624 (Ex-Div) on June 30, 2021 to Rs. 10.2206 on September 30, 2021, thus showing a return of 14.4% p.a. as compared to the benchmark return of 6.8% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and is not likely to be repeated in the future.

The Fund has earned a total income of Rs. 48.98 million during the period. After deducting total expenses of Rs. 3.32 million, the net income is Rs. 45.66 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSLF.





Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 3.54% of the opening ex-NAV (3.62% of the par value) during the quarter ended September 30, 2021.

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: October 29, 2021
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2021ء کو ختم ہونے والی پہلی سہ ماہی کے لئے NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کے غیر جانچ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

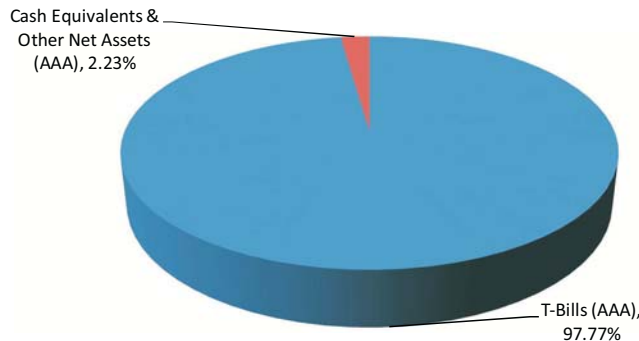
CPI کی طرف سے پیمائش کردہ افراط زر گزشتہ ماہ میں 8.4% اور ستمبر 2020 میں 9.0% کے مقابلے میں ستمبر 2021 میں سالانہ بنیاد پر تقریباً 9.0% رہی۔ خوراک کے اجزاء کی قیمتوں میں تیز اضافہ کے درمیان، CPI ستمبر 2020 میں 1.5% بڑھنے کے مقابلے میں ستمبر 2021 میں ماہانہ بنیاد پر 2.1% تک بڑھ گیا۔ تقریباً پندرہ ماہ تک پرانا نظام برقرار رکھنے کے بعد، 20 ستمبر کو منعقدہ اپنے اجلاس میں، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی شرح میں 25 بیس پوائنٹس کے اضافہ کے ساتھ 7.25% تک زیادہ کر دی۔ مطلوبہ موزوں پالیسی کس کو تسلیم کرتے ہوئے، اسٹیٹ بینک نے حوالہ دیا کہ "غیر متوقع حالات کی عدم موجودگی میں، آگے دیکھتے ہوئے، ایم پی سی توقع کرتی ہے کہ مالیاتی پالیسی مستقبل قریب میں موزوں رہے گی، ہمکنہ طور پر مزید بتدریج کمی آئے گی۔"

زیر جائزہ مدت کے دوران، حکومتی منافع نے مائٹری آسانی سائیکل کی واپسی کے نتائج دینے کیونکہ پالیسی شرح میں اضافہ کی وجہ سے ٹی بلز کی پیداوار میں 3 ماہ، 6 ماہ اور 12 ماہ کے عرصہ میں بالترتیب 31 بی پی ایس، 46 بی پی ایس، اور 92 بی پی ایس اضافہ ہوا۔ اسٹیٹ بینک پاکستان نے اس عرصے کے دوران سات ٹی بلوں کی نیلامی کی، جس میں 4.1 ٹریلین روپے کی میچورٹی اور 4.7 ٹریلین روپے کے ہدف کے مقابل مجموعی طور پر 4.3 ٹریلین روپے حاصل کئے۔

NGSLF کو PACRA کی طرف سے مستحکم ریٹنگ "AAA(f)" دی گئی ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈیٹی پروفائل کی عکاسی کرتی ہے۔ T-Bills اس فنڈ کی بڑی ایسیٹ کلاس ہے۔ مجموعی پورٹ فولیو کی 90 دن کی اوسط میچورٹی کے ساتھ گورنمنٹ سیکورٹیز (T-Bills) میں کم از کم 70% سرمایہ کاری کے ساتھ فنڈ کے کریڈٹ، لیکویڈیٹی اور انٹرسٹ ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی میچورٹی کے ساتھ AA یا زائد ریٹنگ والے لینکوں/DFIs میں انویسٹ کرنے کی اجازت ہے۔

اس مدت کے دوران NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا ساٹھ لاکھ 1,439 ملین روپے سے کم ہو کر 984 ملین روپے ہو گیا یعنی 32% کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2021 کو 9.8624 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2021 کو 10.2206 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 6.8% کے مقابلے میں 14.4% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈیونگ ریورس کر دی گئی۔ اس پروڈیونگ کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

فنڈ نے اس مدت کے دوران 48.98 ملین روپے کی مجموعی آمدنی کمائی۔ 3.32 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 45.66 ملین روپے ہے۔ NGSLF کی ایسٹ ایلوکییشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ 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 منجمنٹ کمیٹی

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 29 اکتوبر 2021

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

	Un-Audited September 30, 2021	Audited June 30, 2021
Note	(Rupees in '000)	
ASSETS		
Bank balances	4 1,022,064	1,501,997
Investments	5 962,450	1,434,754
Mark-up accrued	2,247	5,345
Advances and prepayments	10,116	10,212
Receivable against transfer of units	1,299	-
Total assets	1,998,176	2,952,308
LIABILITIES		
Payable to NBP Fund Management Limited - Management Company	2,211	2,929
Payable to Central Depository Company of Pakistan Limited - Trustee	57	83
Payable to the Securities and Exchange Commission of Pakistan	60	401
Payable against purchase of Investments	962,505	1,434,608
Payable against redemption of units	154	252
Accrued expenses and other liabilities	48,768	74,851
Total liabilities	1,013,755	1,513,124
Net Assets	984,421	1,439,184
Unit Holders' Funds (as per statement attached)	984,421	1,439,184
Contingencies & Commitments	7 -	-
	----- Number of units -----	
Number of units in issue	96,316,982	140,893,274
	----- Rupees -----	
Net asset value per unit	10.2206	10.2147

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
	(Rupees in '000)	
INCOME		
(Loss) on sale of investments - net	(303)	(250)
Income from government securities	14,902	31,758
Income from Money Market placements	-	1,926
Profit on bank deposits	8,480	6,724
Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(54)	(258)
Total Income	23,025	39,900
EXPENSES		
Remuneration to NBP Fund Management Limited - Management Company	631	2,260
Sindh Sales Tax on remuneration to Management Company	82	294
Remuneration to Central Depository Company of Pakistan Limited - Trustee	195	366
Sindh Sales Tax on Trustee remuneration	25	48
Accounting and operational expenses	376	564
Selling and marketing expenses	1,502	2,818
Annual fee - Securities and Exchange Commission of Pakistan	60	113
Securities transaction cost	-	6
Bank charges	15	37
Annual listing fee	7	7
Auditors' remuneration	241	206
Fund rating fee	117	133
Printing Charges	25	15
Legal fee	40	87
Total Expenses	3,316	6,954
Net income from operating activities	19,709	32,946
Reversal / (provision) for Sindh Workers' Welfare Fund	25,954	(659)
Net income for the period before taxation	45,663	32,287
Taxation	-	-
Net income for the period after taxation	45,663	32,287
Allocation of Net income for the period:		
Net income for the period after taxation	45,663	32,287
Income already paid on units redeemed	(9,684)	(1,912)
	35,979	30,375
Accounting income available for distribution:		
- Relating to Capital Gains	-	-
- Excluding Capital Gains	35,979	30,375
	35,979	30,375

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
	(Rupees in '000)	
Net income for the period after taxation	45,663	32,287
Other comprehensive income	-	-
Total comprehensive income for the period	<u>45,663</u>	<u>32,287</u>

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
Note	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	45,663	32,287
Adjustments:		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	54	258
	<u>45,717</u>	<u>32,545</u>
Decrease in assets		
Investments	472,250	96,054
Mark-up accrued	3,098	796
Advances and prepayments	96	112
	<u>475,444</u>	<u>96,962</u>
(Decrease) / increase in liabilities		
Payable to NBP Fund Management Limited - Management Company	(718)	(841)
Payable to Central Depository Company of Pakistan Limited - Trustee	(26)	12
Payable to the Securities and Exchange Commission of Pakistan	(341)	(361)
Payable against purchase of Investments	(472,103)	464,456
Accrued expenses and other liabilities	(26,083)	495
	<u>(499,271)</u>	<u>463,761</u>
Net cash generated from operating activities	<u>21,890</u>	<u>593,268</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	125,029	689,591
Payment against redemption of units	(591,443)	(793,392)
Distributions paid	(35,409)	(29,330)
Net cash (used in) financing activities	<u>(501,823)</u>	<u>(133,131)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(479,933)</u>	<u>460,137</u>
Cash and cash equivalents at the beginning of the period	1,501,997	651,697
Cash and cash equivalents at the end of the period	<u>4</u> <u>1,022,064</u>	<u>1,111,834</u>

The annexed notes 1 to 13 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 STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Government Securities Liquid 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 10 April 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (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 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 Fund is an open-ended mutual fund categorised as "money market scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund 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 generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term government securities.

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

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

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Sindh Trusts Act, 2020 have been introduced. In order to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, the Management Company has submitted Trust Deed of the Fund to Registrar (acting under Sindh Trusts Act, 2020).

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, 2021.

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 September 30, 2021.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2021.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

	Note	September 30, 2021 (Un-audited) (Rupees in '000)	June 30, 2021 (Audited)
4 BANK BALANCES			
Current accounts		26	3,040
Savings accounts	4.1	<u>1,022,038</u>	<u>1,498,957</u>
		<u>1,022,064</u>	<u>1,501,997</u>
4.1	These accounts carry rates of return ranging from 3.5% to 8.7% (30 June 2021: 4.5% to 8.1%) per annum.		
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Investment in government securities	5.1	<u>962,450</u>	<u>1,434,754</u>



5.1 Investment in government securities

Issue date	Tenor	Face value				Market value as at September 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at September 30, 2021			

-----Rupees in '000----- % -----

Market Treasury Bills

08 April 2021	6 Months	-	799,800	542,400	257,400	257,089	26.12	26.71
06 May 2021	6 Months	-	260,000	-	260,000	258,210	26.23	26.83
20 May 2021	3 Months	-	350,000	350,000	-	-	-	-
03 June 2021	3 Months	1,450,000	-	1,450,000	-	-	-	-
02 July 2021	3 Months	-	945,000	945,000	-	-	-	-
15 July 2021	3 Months	-	350,000	250,000	100,000	99,879	10.15	10.38
29 July 2021	3 Months	-	500,000	250,000	250,000	248,989	25.29	25.87
12 August 2021	3 Months	-	100,000	50,000	50,000	49,655	5.04	5.16
12 August 2021	6 Months	-	200,000	150,000	50,000	48,628	4.94	5.05
26 August 2021	6 Months	-	50,000	50,000	-	-	-	-

962,450 **97.77** **100.00**

Carrying value before fair value adjustment as at 30 September 2021

962,504

6 PROVISION FOR SINDH WORKERS' WELFARE FUND (SWWF)

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF on August 13, 2021 recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021.

Provisioning against Sindh Workers' Welfare Fund by NBP Government Securities Liquid Fund amounting to Rs. 26.18 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Government Securities Liquid Fund by 1.95% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2021 and June 30, 2021.

8 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 0.5% per annum of the net assets of the Fund.



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 unitholders as cash dividend. 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, 2022 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 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.11% (September 30, 2020: 1.35%) which includes 0.06% (September 30, 2020: 0.20%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "money market" scheme.

11 TRANSACTIONS WITH CONNECTED PERSONS

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.

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

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

The details of significant transactions carried out by the Fund with connected persons and balances with them at period end are as follows:

	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
11.1 Details of the transactions with connected persons are as follows:	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Management fee expense for the period	631	2,260
Sindh Sales Tax for the period on management fee	82	294
Accounting and operational charges to the Management Company	376	564
Selling and marketing expenses	1,502	2,818
Sales load including sindh sales tax	52	-
ADC charges including sindh sales tax	3	-



	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	195	366
Sindh Sales Tax for the period on Trustee fee	25	48
Employees of the Management Company		
Units issued: 14,400 units (September 30, 2020: 20,103 units)	148	205
Units redeemed: 32,613 units (September 30, 2020: 206,129 units)	335	2,109
NBP Employees Pension Fund - (Subsidiary of Parent Company)		
Units issued: 904,646 units (September 30, 2020: 333,892 units)	9,241	3,407
Fauji Fertilizer Company Limited (Common Directorship with the Management Company)		
Units issued: 12 units (September 30, 2020: 48,975,914 units)	-	500,000
Units Redeemed: Nil units (September 30, 2020: 48,975,914 units)	-	501,322
* Fauji Akbar Portia Marine Terminals Limited (Unit holder of 10% or more of units of the CIS)		
Units issued: Nil units (September 30, 2020: 442,144 units)	-	4,511
* K & N's Foods Private Limited (Unit holder of 10% or more of units of the CIS)		
Units issued: Nil units (September 30, 2020: 760,391 units)	-	7,758
	Un-Audited As at September 30, 2021	Audited As at June 30, 2021
	(Rupees in '000)	
11.2 Amounts outstanding as at quarter end		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	156	226
Sindh Sales Tax on remuneration of the Management Company	20	29
Operational expenses	376	514
Selling and marketing expense	1,502	2,058
Sales load including Sindh Sales Tax	146	94
ADC Payable	11	8
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	51	73
Sindh Sales Tax on remuneration of the Trustee	6	10
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	864	869
Bank profit receivable	10	45
Bankislami Pakistan Limited (Common Directorship)		
Bank balance	82	-
Employees of the Management Company		
Investment held in the Fund: 321,179 units (June 30,2021: 339,391 units)	3,283	3,467



	Un-Audited As at September 30, 2021	Audited As at June 30, 2021
	(Rupees in '000)	
NBP Employees Pension Fund - (Subsidiary of Parent Company)		
Investment held in the Fund: 26,233,305 units (June 30,2021: 25,328,660 units)	268,120	258,725
*Fauji Akbar Portia Marine Terminals Limited (Unit holder of 10% or more of units of the Fund)		
Investment held in the Fund: Nil units (June 30,2021: 39,127,774 units)	-	399,678
Fauji Fertilizer Company Limited- (Common Directorship)		
Investment held in the Fund: 417 units (June 30,2021: 405 units)	4	4

* Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at the period end.

** Comparative balances with these parties have not been disclosed as these parties were not related parties in the last term.

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 29, 2021.

13 GENERAL

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

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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